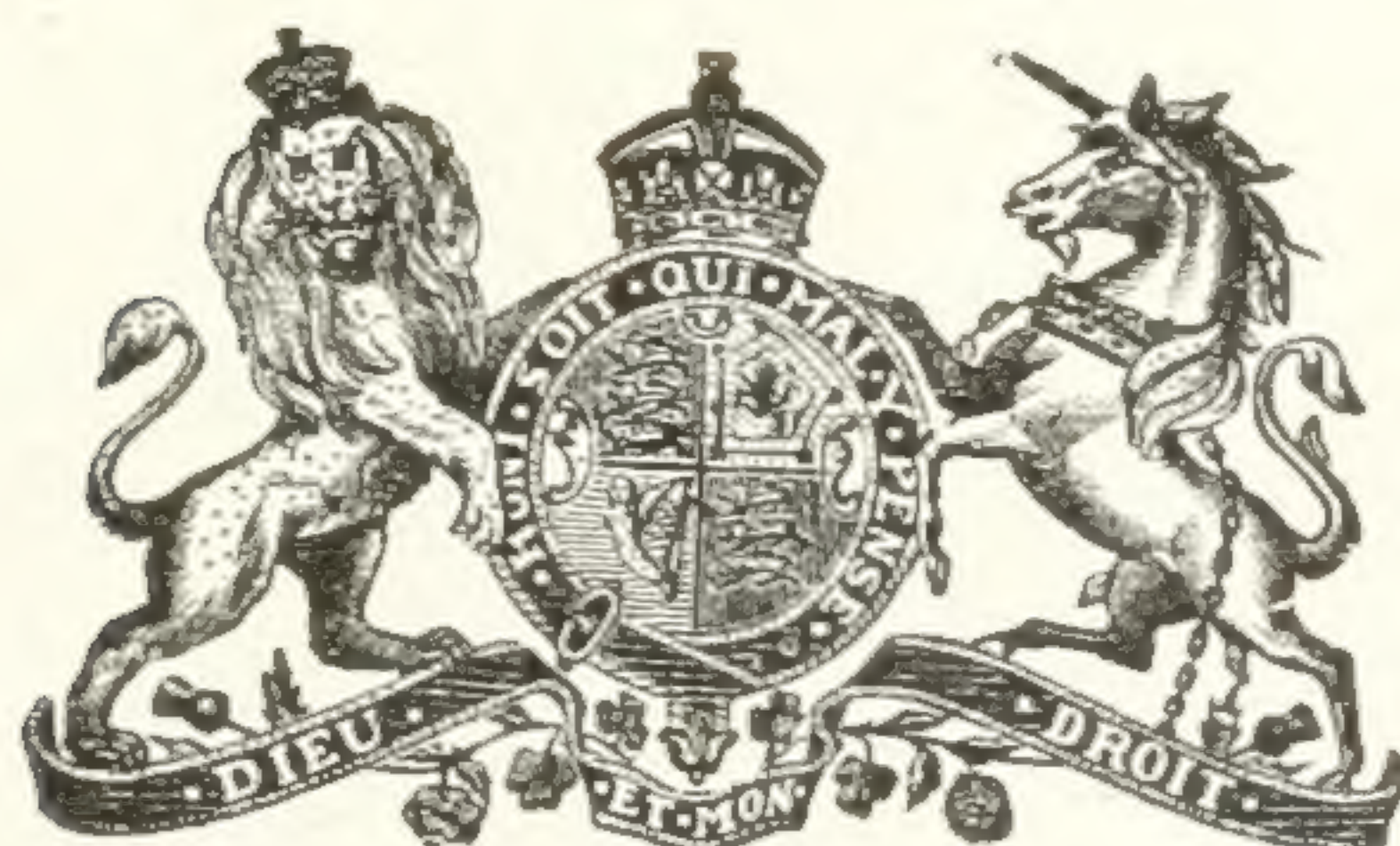


REPORT OF PROCEEDINGS
IN THE HEARING BY MEMBERS OF THE GOVERNMENT OF THE
FARMERS' DELEGATION
DECEMBER 16, 1910

WITH

CORRESPONDENCE PRELIMINARY TO THE HEARING

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

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EXCELLENT MAJESTY

1911

[No. 113—1911.]

DELEGATION OF FARMERS, 1910.

A delegation organized under the Canadian Council of Agriculture was received by the government on December 16, 1910. The correspondence leading up to this meeting included the following:—

OTTAWA, October 28, 1910.

DEAR SIR,—With reference to the elevator question which I had occasion, whilst in the west, to discuss with the Grain Growers' Associations, the government is now ready to receive a delegation of the grain growers on this matter at any time that may be convenient to them.

I address a similar letter to the Grain Growers' Associations of Saskatchewan and Alberta.

Yours very sincerely,

WILFRID LAURIER.

R. McKENZIE, Esq.,
Secretary, Manitoba Grain Growers' Association,
Brandon, Man.

MANITOBA GRAIN GROWERS' ASSOCIATION.

WINNIPEG, Man., November 30, 1910.

The Rt. Hon. Sir WILFRID LAURIER,
Premier of Canada,
Ottawa.

SIR,—I am in receipt of your favour of the 28th ultimo, stating that the government is now ready to receive a delegation of the grain growers in reference to the terminal elevator question. I have referred your letter to the executive of the Manitoba Grain Growers' Association and have communicated with the officers of the Saskatchewan Grain Growers' Association, and in view of the fact that it was arranged to send a delegation of grain growers to Ottawa in December, to confer with the government on certain other matters, previous to receiving your communication of the 28th ultimo, it was deemed advisable to defer any further consideration of this question until the larger delegation should reach Ottawa, when we will be present to present our views to the government on the terminal elevator question.

Yours very truly,

R. McKENZIE,
Secretary.

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OTTAWA, October 28, 1910.

DEAR SIR,—With reference to the elevator question which I had occasion, whilst in the west, to discuss with the Grain Growers' Associations, the government is now ready to receive a delegation of the grain growers on this matter at any time that may be convenient to them.

I address a similar letter to the Grain Growers' Associations of Manitoba and Saskatchewan.

Yours very sincerely,

WILFRID LAURIER.

EDWARD J. FREAM, Esq.,
Secretary, United Farmers of Alberta,
Innisfail, Alta.

UNITED FARMERS OF ALBERTA.,

INNISFAIL, ALBERTA, November 2, 1910.

The Right Honourable Sir WILFRID LAURIER,
Ottawa, Ont.

SIR,—I have yours of the 28th ultimo, inviting a delegation of the United Farmers of Alberta to wait upon the government with reference to the elevator question.

I thank you for your kind invitation, and am taking the matter up with my executive at once, also with the executives of the Manitoba and Saskatchewan Associations; and will write you again in the course of a few days.

I am, sir,

Your obedient servant,

EDWARD J. FREAM,
Secretary.

OTTAWA, October 28, 1910.

DEAR SIR,—With reference to the elevator question which I had occasion, whilst in the west, to discuss with the Grain Growers' Associations, the government is now ready to receive a delegation of the grain growers on this matter at any time that may be convenient to them.

I address a similar letter to the Grain Growers' Associations of Manitoba and Alberta.

Yours very sincerely,

WILFRID LAURIER.

F. W. GREEN, Esq.,
Secretary, Saskatchewan Grain Growers' Association,
P.O. Box 308,
Moosejaw, Sask.

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THE SASKATCHEWAN GRAIN GROWERS' ASSOCIATION,

MOOSEJAW, SASKATCHEWAN, Nov. 4, 1910.

The Rt. Honourable Sir WILFRID LAURIER,
Premier of the Dominion of Canada,
Ottawa, Ont.

HONOURED SIR,—Your kind favour of the 28th ult. to hand, intimating to the Grain Growers' Association of Saskatchewan that your government is now ready to receive a delegation from this Association.

This intimation will be placed before our executive at the earliest possible moment.

Yours very sincerely,

THE SASKATCHEWAN GRAIN GROWERS' ASSOCIATION,

Per FRED. W. GREEN,
Secretary-Treasurer.

THE SASKATCHEWAN GRAIN GROWERS' ASSOCIATION,

MOOSEJAW, SASKATCHEWAN, Dec. 9, 1910.

The Rt. Honourable Sir WILFRID LAURIER,
Premier of the Dominion of Canada,
Ottawa, Ont.

HONOURED SIR,—Referring to your favour of October 28, in which you intimated that your government was ready to receive a delegation from the Grain Growers' Association on the terminal elevator question, I beg to say that owing to the unavoidable absence of several of our most prominent officers through sickness, we have been unable to give any definite answer to your letter until now.

Our executive have now authorized me to state that they will be in Ottawa with the farmers' delegation on the 15th and 16th of December, and if advisable they could meet with your government on a date closely following the public meeting already arranged for the 16th.

Yours very sincerely,

FRED. W. GREEN.

BARRIE RURAL DELIVERY, Sept. 22, 1910.

Rt. Hon. Sir WILFRID LAURIER,
Ottawa.

DEAR SIR,—The organized farmers of Canada are desirous to send a large deputation to wait upon your government in regard to the tariff and other matters. We should like to wait upon you after the meeting of parliament, and before the budget speech is delivered. We wish to hold the annual session of the Dominion Grange immediately before coming to Ottawa. This will necessitate coming on some day towards the end of the week.

Will you favour us with a date which will, if possible, meet these requirements? Thanking you in anticipation, I remain, sir,

Your obedient servant,

E. C. DRURY,
Secretary, Canadian Council of Agriculture.

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OTTAWA, September 29, 1910.

E. C. DRURY,

Barrie, Ont.

With reference to your letter I have been waiting for Minister Finance to come back from his trip to maritime provinces where he has been for some time past to discuss matter therein referred to and fix date of interview which you desire. He was expected to return yesterday but death of Lieutenant Governor Fraser will keep him back for some time. Will send you answer to your letter as soon as I have communicated with him, probably next week.

WILFRID LAURIER.

BARRIE RURAL MAIL, September 29, 1910.Rt. Hon. Sir WILFRID LAURIER,
Ottawa.

DEAR SIR,—I received to-day your telegram of this date, *re* the date of the farmers' delegation on the tariff. Since writing you before I have had communication with the western men, and they appear to favour a later date,—one after December first. The reason for this is, that they wish to take advantage of the winter excursion rates. Of course the expense of sending a large delegation such a distance is very considerable, and they wish to reduce it as much as possible. At the same time we do not wish to impair the usefulness of the delegation. If the tariff is to be discussed this session we want to be in time to influence the discussion. If then, a date in December is soon enough, we would be glad to have it. If not, the earlier date will suit. We are content to leave the matter in your hands, believing that if you know the circumstances, you will do the best you can for us. There are over forty thousand farmers enrolled in our organizations, and the delegation is likely to be a large one.

Yours very sincerely,

E. C. DRURY.

OTTAWA, 1st October, 1910.

MY DEAR SIR,—I am in receipt of yours of the 29th of September. It is our intention to have the session opened about the middle of November. It was our intention also to have the budget speech immediately, but as Mr. Fielding's health is somewhat impaired at this moment, it may be that this may delay the budget for some time.

As to the date of your delegation coming here, that is a matter which I must leave to your own judgment. If you were to ask me my opinion, I should certainly advise that you should not wait too late.

Believe me,

Yours very sincerely,

WILFRID LAURIER.

E. C. DRURY, Esq.,
Rural Mail,
Barrie, Ont.

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BARRIE, RURAL MAIL, October 3, 1910.

Right Hon. Sir WILFRID LAURIER,
Ottawa.

DEAR SIR,—I am inclosing to you a telegram which I have received, *re* the proposed farmers' delegation to Ottawa, and which explains itself.

It will apparently seriously interfere with the attendance of the Western men, if the date set for the delegation is earlier than will allow them to leave home on or after December 1. In view of this fact I would respectfully beg you to fix on a date later than that if possible. Some time during the early part of December will be best.

The Guelph Fat Stock Show is held on December 5-9, and it would in consequence be well to avoid these dates,—though this is not by any means essential, and could be dropped from consideration for any reason.

Yours respectfully,

E. C. DRURY.

 WINNIPEG, MAN., September 29, 1910.

ED. DRURY,
Crown Hill, Ont.,
Via Mail, Barrie, Ont.

Find we cannot make satisfactory transportation arrangements for delegates before December 1. Any date prior to that will seriously interfere with attendance from west. Try and arrange date in early December if possible; writing.

R. MCKENZIE.

 OTTAWA, October 4, 1910.

MY DEAR SIR,—In answer to yours of yesterday just received, I have only to repeat what I have already written; that it will be our pleasure to receive your delegation any day that will suit the convenience of yourself and friends. The only thing I would ask is that, if the delegation is to come to Ottawa during the session, a Friday would be more convenient to us than any other day in the week.

Yours very sincerely,

WILFRID LAURIER.

E. C. DRURY, Esq.,
Rural Mail,
Barrie, Ont.

 BARRIE, RURAL MAIL,
October 27, 1910.

Rt. Hon. Sir WILFRID LAURIER,
Ottawa.

DEAR SIR,—After full discussion, the Executive of the National Council of Agriculture (which has charge of the matter) have decided on Friday, December 16, as the best day for the farmers' delegation to wait on the government on the tariff question, if this date meets with your approval. It was impossible to fix the date earlier, on account of the western men not being able to leave before December 1, and the next week (the first in December) being taken up by the Guelph Fat Stock show. Personally, I should have preferred a much earlier date, but it seems to be impossible.

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So far as we see now, there will be about 500 delegates from the west and Ontario. It is the intention to hold a meeting, probably on December 15, somewhere in the city, to formulate demands, and to wait on your government on the 16th. I hope this date may meet with your approval.

It is probable that the delegation will ask for the best reciprocal terms that can be arranged with the United States on agricultural products and agricultural implements, as well as certain things that are commonly used on farms, as cement, drain tile, and a few other articles. A commission, to make thorough inquiry into the working of the tariff, would be asked for, but for the belief that it would be impossible to have such an inquiry before the next general election. It is likely that a substantial increase in the British Preference will be asked for.

Yours very respectfully,

(Sd.) E. C. DRURY.

OTTAWA, October 29, 1910.

DEAR MR. DRURY,—I am in receipt of your favour of the 22nd instant. The date which you fix for the hearing of the delegation, to wit the 16th of December, is quite acceptable.

Yours very sincerely,

WILFRID LAURIER.

E. C. DRURY, Esq.,
Rural Mail, Barrie, Ont.

ST. CATHARINES, Ont., December 15, 1910.

Sir WILFRID LAURIER,
Ottawa.

A large meeting of the Niagara Peninsula Fruit Growers' Association held in this city to-day, following resolution was unanimously adopted:—

Resolved that whereas the United States government have made overtures to this country for reciprocal trade relations, and whereas a large delegation of those interested in products of the soil is now in session at Ottawa with object of petitioning the government for the removal or the substantial lowering of the tariff against United States products, and whereas the tariff of the United States against Canada products is in the aggregate greatly in excess against them, resulting in some cases to the detriment of the Canadian grower, and whereas the present Canadian tariff has on the whole proved satisfactory to the upbuilding of our fruit industries and the same, if continued, will develop them to the advantage of the country as a whole, therefore, it is the opinion of this association that any reciprocal treaty with the United States be given the most serious consideration, and that only done after consultation with the official representative of our fruit industries, and that in regard to each and every other industry they should be consulted and their respective bearings upon each other be fully considered, and that in the final adjustment of any tariff with United States that all possible preference be given to the mother country.

C. E. FISHER,
Secy. Nia. Peninsula Fruit Growers' Assn.

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THE DELEGATION AT OTTAWA.

The delegation was received in the House of Commons chambers by the Right Honourable Sir Wilfrid Laurier and the following members of his government: Right Honourable Sir Richard Cartwright, Minister of Trade and Commerce; Hon. William Paterson, Minister of Customs; Hon. Sir Frederick Borden, Minister of Militia and Defence; Hon. Sydney Fisher, Minister of Agriculture; Hon. L. P. Brodeur, Minister of Marine and Fisheries; Hon. Frank Oliver, Minister of the Interior; Hon. Charles Murphy, Secretary of State; and Hon. W. L. Mackenzie King, Minister of Labour.

Mr. D. W. McCuaig, President of the Canadian Council of Agriculture, introduced the delegation. He said:—

Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, and members of the government, I am here as president of the Canadian Council of Agriculture. We have met on this occasion to present to you and to your government some of our views. We have met as a delegation representing the different provinces of the Dominion of Canada. We have in this organization, the Canadian Council of Agriculture, different farmers' organizations throughout the Dominion of Canada. We have representatives here to-day from New Brunswick, Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan and Alberta. I think you will agree with me, Sir, that this delegation is something out of the usual line. You have, in the past, no doubt, received many delegations, but I think I am quite safe in saying that this is the first organized delegation you have ever received from the farmers of the Dominion of Canada.

Now, as I have mentioned, we have met to present to you some of the requests we have to make of your government. And, as you look upon these delegates here, I would like to mention that they have come together to-day at great expense and, in many cases, at great inconvenience to themselves. But we feel justified in incurring this expense and undergoing this inconvenience in order to show you, Sir, that we are in earnest in our requests. Seeing that we have but limited time at our disposal to place all these matters before you, it would be out of place for me to take up your time. I have, however, to thank you, Sir, for the opportunity you have afforded organized farmers to meet you in this manner and present their requests to you.

TERMINAL ELEVATORS.

The first matter we wish to call to your attention this morning is that of the terminal elevators that handle our grain from the west. I will read to you a resolution which, after having been adopted and approved by the Canadian Council of Agriculture, was submitted yesterday to a mass meeting of the delegates here present. This is true of all these resolutions, all of which were passed by these delegates without a dissenting voice. We have these resolutions in due order, signed by the President and Secretary of the Canadian Council of Agriculture, which will show you that they are the united voice of the farmers from Nova Scotia to Alberta.

Mr. McCuaig read the first resolution as follows:—

Whereas we are convinced that the terminal elevators, as now operated, are detrimental to the interests of both the producer and consumer, as proved by recent investigation and testimony of important interested bodies:

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We therefore request that the Dominion Government acquire and operate as a public utility under an Independent Commission, the terminal elevators at Fort William and Port Arthur, and immediately establish similar terminal facilities and conditions at the Pacific coast and provide same at Hudson bay when necessary; also, such transfer and other elevators necessary to safeguard the quality of export grain.

CANADIAN COUNCIL OF AGRICULTURE,

D. W. McCUAIG, *Pres.*

E. C. DRURY, *Secretary.*

I will call upon Mr. Peter Wright, of Roland, Man., Director of the Manitoba Grain Growers' Association, a member of the executive committee of that association, and a member of the Canadian Council of Agriculture.

Mr. Peter Wright read the following paper:—

To the Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada; the Members of the Government, and the Members of the House of Commons:

The matter with which I have been entrusted in behalf of the farmers of the west, is that pertaining to the terminal elevators. We have already submitted this matter to the honourable the Premier, and some other members of the government who accompanied the Premier when on his western tour during the past summer, and we would not insult these gentlemen by inferring that they do not understand all about the matter, or that they are not convinced that the request of the western farmers with respect to the terminal elevators is only right and just, but we are aware to secure the legislation we believe to be necessary, the majority of this House must be convinced of the justice of our request, and that is the reason why we are here to-day; so we hope, Sir, that you, and those who are familiar with this matter, will bear with us while we present some statements and arguments bearing on the terminal elevator situation.

The principal marketable production of the western farmer is wheat, and the quality of our climate and soil is such that we have acquired the reputation of producing the finest wheat in the world, and in such vast and ever increasing quantities, that western Canada has been called 'The Granary of the British Empire.'

In its progress to the markets of the world, all western wheat must pass through the terminal elevators at Fort William or Port Arthur. Considerable mystery and secrecy has always surrounded the terminal elevators and their operation, but the farmers of the west have been for a long time convinced that their grain in passing through these elevators, has been subjected to a system of manipulation and exploitation, which, while tending to augment the profits of the elevator companies, has had the effect of depreciating very largely the value, the price, and the reputation of our wheat.

As we wish to be absolutely fair in our statements, we would say, that the C.P.R. terminals have never been charged with indulging in this manipulation, and there may be other exceptions, but the exception strongly confirms our conviction, as the eastern millers tell us that wheat obtained through the C.P.R. terminals is worth considerably more for milling purposes than that of the same grade obtained through privately owned or operated houses.

The grain trade is regulated by the Manitoba Grain Act, and the Grain Inspection Act. These Acts provide that 'all grain passing through Winnipeg inspection district to points east thereof, shall be graded according to quality.' It is further provided that 'all grain shipped for eastern points from any public elevator within the division shall be shipped only as graded into such elevators by the inspecting officer.' All grain

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of the same grade shall be kept together, and stored only with grain of a similar grade; and even a selection of the different qualities of the same grade is prohibited. 'If grain of different grades is loaded together in the same compartment of a vessel, a certificate of such mixed cargo shall be issued with a statement of the quantities of each grade entering into the composition of such mixed cargo.' And 'the certificate of inspection given by inspecting officers, shall in all cases accompany the grain to its destination.'

But, notwithstanding these regulations, and the fact also that the terminal elevators are under the supervision of a large body of government officials, we believe that the owners and operators of these elevators find means and opportunities to manipulate our grain to their advantage, and to our disadvantage. In support of this belief, we have the evidence already quoted that grain procured through the Canadian Pacific Railway terminals is of higher milling quality than that obtained through some others. But the most convincing evidence is that afforded by the investigation made by the officials of this government during last winter, which resulted in three terminal elevator companies being convicted of having made false returns regarding the amounts of wheat contained in the different grades, and their being fined to the amount of \$5,500. According to the report of Mr. Castle, Warehouse Commissioner, of this investigation, the overplus of 1 Northern wheat over the amount received of that grade by two elevators, amounted to 1,035,786 bushels, while the shortage in 2 Northern wheat, 3 Northern, and No. 4 amounted to 832,806 bushels, leaving nearly 203,000 bushels of No. 1 Northern still unaccounted for, and to which I will refer later. A computation based on these figures, and on the prices of the different grades of wheat, on a certain date, and the spread between these prices shows that the profits of these two elevator companies were increased by this manipulation to the extent of \$35,000. And in this connection, we would respectively submit that the punishment imposed is altogether inadequate to the enormity of the offence, and not likely to prove a deterrent from a continuance of these practices when after deducting the amount of the fines, they still have a profit in the neighbourhood of \$30,000, and that for a period of only about three months' operation. In connection with this I may say that since leaving home we have learned that information has been laid against another elevator company along these lines.

But there is another aspect to this matter, which is a good deal more serious than any illegitimate profits made, and which has a far-reaching effect. The government inspector is supposed to grade our wheat according to the amount of gluten and other ingredients it contains, which is required to make the best flour, and the value of our different grades of wheat is based on the presence or otherwise of these ingredients, or, as it is commonly spoken of, 'The value of our wheat depends on its milling qualities,' but it depends on its qualities not as it is inspected at Winnipeg, but on its qualities as it is placed on the British, or the ultimate market wherever they may be. And, if, as has been proved, each grade of our wheat is brought down to the lowest point by the mixing of wheat from lower grades, (and we believe it is often brought below it, that is, it is allowed to pass out of the terminal elevators with the minimum point of each grade lower than it would be allowed to pass the inspector at Winnipeg), if this is so, it will be readily understood that the value and the reputation of our wheat on the British market is re-graded also, and as the British miller can only afford to pay for wheat according to its milling value, the price is reduced, and being reported back to us, becomes the basis of our market here, and we have to accept a price based on the lowest point of each grade, instead of on the average as it should be, which means a difference of about two cents per bushel.

But we have reason to believe that the manipulation of grades is only one of the means used by these elevator companies to swell their revenue, and by which our wheat is degraded in value and reputation. The 'Grain Act' provides that all grain passing through the terminal elevator, shall be cleaned. The amount of dockage is

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set by the inspector, and the percentage named by him, is deducted from each car; and as the grade very often depends upon the amount of dockage, it is very important if justice is to be done, that the inspector's instructions in this respect should be strictly carried out. Now, we have reason to believe that much of the wheat passing through the terminals is not cleaned to grade. No doubt, there are large quantities of screenings cleaned out, and we know that large profits are derived from this source. We notice in the public papers recently that shipments of these screenings had been made to points in the United States, and we know also that large flocks of sheep have been fed from screenings taken from our wheat; but, besides this, we believe that when the dockage imposed by the inspector is not too heavy, it is allowed to go through as they receive it. It is generally understood that when the dockage does not exceed one per cent, or in some cases 2 per cent, there is enough clean wheat to absorb that amount without being noticed, but for every 60 lbs. of screenings allowed to pass through in this way, the elevator companies get paid for a bushel of wheat. They get paid for the dockage which the farmer loses, and has to pay freight on to the terminals, and in consequence the British miller has to pay for these screenings at the price of wheat, and in this way the value and reputation of our wheat is still further degraded. And, I believe that the fact that a portion of the screenings is in this way allowed to figure as wheat, will to some extent account for the discrepancy between the overplus in No 1 Northern and the shortage in the lower grades, as per Mr. Castle's report already referred to.

We have been led to believe that western Canada produced the best wheat in the world, and we have been very proud of our reputation in this respect. But we have noticed during the last two years that at certain periods there were other wheats which have commanded higher prices on the Liverpool market, and we believe this may be largely accounted for by the degrading of our wheat in the terminal elevators to the minimum point, and the retention in it of dockage, as I have described.

But there is still another breach of trust of which we believe these elevator companies are guilty. It seems that they are in the habit of loaning quantities of our wheat which has been entrusted to their care, to shippers to make out their cargoes. One of the companies involved in the investigation already mentioned, pleaded guilty to this charge in trying to account for the discrepancy in the lower grades of wheat. Now we believe that this is a violation of both the letter and the spirit of the 'Grain Act.' Farmers are sometimes compelled by circumstances to ship grain, when they would rather hold it. Some of us have not granary room, or we have to haul it out when roads are good, or weather suitable. Having shipped from our local shipping point, we sometimes discover that prices have dropped below what we care to sell at, and we decide to hold till a rise in price. Well, we may think we are holding it, and we are being charged storage for it, and possibly we may get a rise in prices, but all the while, our wheat may be helping to flood the old country markets, and defeating the purpose for which we wished to hold it.

The Grain Growers Associations of the west have for over three years been trying to convince this government of the necessity of some change in the method of operating these elevators, so as to remove the evils which exist in that connection, but up to the present time you have only responded by granting increased supervision and inspection; and while we give you credit for being sincere in your efforts to better conditions, we believe, and we say this without any reflection on any officials of the government, that no amount of supervision or inspection can effectually prevent manipulation in our terminals, so long as they are owned and operated by private interests which can be benefited thereby. We believe that nothing short of government ownership and operation will put a stop to these malpractices, and ensure to us that justice and straight dealing which will lift our terminal elevators from the position of distrust and suspicion which they have occupied, and restore in them a feeling of trust and confidence in the minds of the western farmers.

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We would, therefore, recommend that the Dominion Government take steps to acquire and operate the terminal elevators as a public utility. And, we would further recommend that they be placed in charge of a commission of capable and reliable men, who shall be independent of government control; governed by statute rather than by any minister of the government; answerable to a majority of the parliament, and so incorporated that they shall be capable of suing and being sued. Now it is not from lack of confidence in the present government that we ask for these provisions, but to safeguard our terminal elevator system, and the interests of all parties concerned for all time, against any government, or member of a government, who might desire to use this system for their own or party ends and interests; and specially to safeguard against the system being injured or discredited by misconstructions and imputations made against the motives and actions of the government in power by the opposition, whichever party may be in power, and whichever party may be in opposition, human nature being what it is, these misconstructions and imputations will be made wherever there is the smallest visible motive for wrongdoing, even if no wrong is done, and will always gain more or less credence.

Farmers are not alone in making these requests. Eastern millers are not satisfied with conditions as they are, and would welcome the change. A large number of commission men, independent grain dealers, and exporters of Winnipeg, Toronto and Montreal, have also made the same request; indeed, all parties concerned, with the exception of the owners and operators of these elevators, join with us in making this recommendation.

In asking the government to take over and operate the terminal elevators, we do not consider that we are seeking a favour of any sort; we only want a square deal.

The 'Inspection Act,' in so far as it applies to the farmer, has been rigidly enforced, and we make no complaint in that respect; but however good the intentions of the government and its officials have been, they have failed to enforce the law in protection of his interests in the terminal elevators.

We do not expect that these elevators under the system we suggest shall become chargeable to the consolidated revenue of the Dominion. Our wheat has always had to pay its way, and as we believe, and have tried to show, has paid a considerable amount of undue toll, and we are willing that it should continue to pay its way, that a sufficient charge should be made to pay for the operation of the elevators, and to pay off the purchase price within a reasonable time. We are of the opinion that the charges in the elevators at the lake front are too high at the present time, being considerably higher than those of elevators on the other side of the lakes. But we would not ask for a reduction until sufficient time has elapsed to show by practical experience what charge is necessary to cover all expenses.

We understand that at the present time there is a large staff of government officials employed in supervising the operation of the elevators, who, if our recommendation was adopted, could be employed in the actual operation, and a considerable saving would be effected by thus avoiding the duplication of employees.

It has been suggested that a change in our laws to make our terminal elevators conform to those at Duluth would meet all the objections that have been made, to the manner in which they are operated at present. The only difference between our terminal elevators and those operated under the Minnesota laws, is that under the Minnesota laws private elevators are allowed to operate and that special binning is permitted in the state elevators. Such a condition of affairs in our terminals would accentuate rather than alleviate the conditions that exist. The president of the North Dakota State Union of the Society of Equity, one of the largest farmers' organizations in the grain producing states, says of the Minnesota terminals, 'Our system of terminals is simply owned and controlled by the interests and we have nothing to say in the matter. To give you a little idea as to the loss sustained. I might say that we are shipping our grain with foul seeds and mixed grains, because facilities are not at hand for separating same, to the terminals and

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pay the freight on all the foul seeds or oats or flax that may be in the wheat and then we give them all but that grain in the name of which it is shipped.' Again he says, 'They buy our hard wheat at from No. 1 to No. 4, mix same with the wheat from the Southern or Eastern States, which is much inferior to ours, and after it is mixed the records show that they ship out more No. 1 than they took in.' It is quite evident that a change to this condition would not improve matters for us.

All we have said in regard to the elevators at Fort William and Port Arthur, applies equally to elevators that must be constructed in the near future at Hudson's Bay and particularly at Pacific coast terminals. The reasons are even more urgent in respect to Pacific coast than have been advanced for acquiring those at Fort William and Port Arthur. The reasonable and logical way for the grain produced in Alberta and even in the western portion of Saskatchewan to find its market is via what has been termed the 'Western route.' The western development that is bound to take place in British Columbia in the next decade, assures us that a very large portion of the farm products of Alberta will find a market in this province. The completion of the Panama Canal and also the erection of proper facilities on the Tehuantepec railway which is bound to come, means that a great deal of our Western Canada grain will find its European market via the Pacific coast. The Pacific coast has open ports all the year. There is good reason for believing that an effort is being made at the present time to create terminal elevator companies at Vancouver which promises even worse conditions than exist at Port Arthur to-day. It is the imperative duty of the government to prevent this by taking immediate steps to provide the necessary facilities for the handling of grain at the Pacific coast in such a way that the smallest dealer and the largest elevator owner are upon an equality in the advantages they can secure from it. There is no reason whatever for permitting a condition of things to grow up in Vancouver that will be worse in effect than what we have been complaining of in the eastern route to our markets.

Western Canada has been contributing largely to the needs of the world in supplying it with the 'staff of life,' and in that way has been adding materially to the wealth and prosperity of Canada, but while the west produces great wealth in the shape of food products, it has as yet very few manufacturing industries, and we look principally to the east for our supply of manufactured articles. So that, whatever you can do to secure the western farmer a square deal, increases his purchasing power, and will benefit and increase the prosperity of the east as well as the west.

We hope we will have shown sufficient cause why this government should accede to the request of the Western Grain Growers' Associations, and we respectfully urge that during the present session of parliament, a measure of legislation be passed providing that the Terminal Elevators be acquired and operated by the Dominion government under an independent commission.

Mr. McCUAIG.—The next gentleman I will call upon is Mr. F. W. Green, secretary of the Saskatchewan Grain Growers' Association, and a member of the Canadian Council of Agriculture.

Mr. F. W. Green read the following paper:—

To the Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, the Members of the Government, and the Members of the House of Commons:

In speaking to the resolution let me say that the part of this delegation that I have the honour to represent is known as the Saskatchewan Grain Growers' Association. This association was organized on January 2, 1901, Honourable W. R. Motherwell, now Minister of Agriculture for Saskatchewan, occupied the chair. The then Deputy Minister of Agriculture, Mr. C. W. Peterson, also took an active part, and in an address to the farmers said:—

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'Combination is the watchword of the day. The various corporations against which the grain growers were pitted had the most complete organization in the world, and before farmers could make any headway they would have to follow the example of their rivals and present their claims as an organized body.'

Senator Perley, R. S. Lake and Hon. Walter Scott were also prominent actors at the early meetings of this association. The constitution provided that its objects should be:

(a) To forward the interest of the grain growers in every honourable and legitimate way.

(b) To watch legislation relating to the grain growers' interests, particularly that affecting the marketing, grading and transportation of grain.

(c) To suggest to parliament from time to time as is found necessary, through duly appointed delegates, the passing of any new legislation to meet changing conditions and requirements.

It will thus be seen, gentlemen, that this delegation is right in line with the objects for which the association was formed.

The Saskatchewan Association at the present time numbers 10,000 members in good standing, working in some 300 local associations in almost every part of the province, with almost an equal number in each of the other western provinces where the various questions brought forward have been discussed freely during the ten years of the association's existence. The terminal elevator question is only one of the many phases in the grain trade, which is very difficult for the ordinary farmer to thoroughly understand.

We have the terminal elevators system with all its uncertainty of weight and grade, and the various tricks resorted to regarding car distribution, special binning and shipping; then we have the grain exchanges with the gambling, price-fixing, problem hedging, future selling, puts and calls, shorts and longs, with the bulls and bears. Then the difference of prices between Minneapolis and Winnipeg, ranging from 10 to 15 cents per bushel for an inferior sample of wheat. This, with their system of grading and sampling, all forming part of a complex system more or less mysterious to our farmers, causing a serious state of suspicion and unrest which is an evil in itself, but none of these are responsible for more distrust and want of confidence than the inspection system in connection with our terminal elevators.

All these being inseparable, each affected by the other, and, as we think, vitally affecting the quality and price of every bushel of grain in the west. Our views, right or wrong, are the cause of our agitation and action.

Doubtless the government has already in their possession much more convincing arguments than we can offer in support of the resolution, as the Warehouse Commissioners' report will likely contain information and data impossible for us at this time to present. We can only say this 'that nothing now can possibly allay our fears but the complete removal of all parties having a special interest in the grain in the public bins of the nation from their operation and control.' Then, I said: 'Public bins of the nation.' This is what we think these terminal elevators become when the government admits the grain into these bins and gives the farmer a receipt and guarantees to deliver it to his customer under a certificate of grade, and any system which gives to a self-interested party the opportunity for tampering with this grain after once passing into the hands of the government as we believe the present one does, cannot longer be tolerated by us.

As our grain passes Winnipeg it is inspected and ordered to be cleaned to a certain specified standard or ideal, foreign matter considered useless for the purposes for which the different grades are intended are ordered to be extracted, the farmer being docked for it pays freight, and delivers it to the terminal elevators absolutely free. If by any means these grades inspected leaving the terminals contain one per cent of the dirt previously ordered to be taken out some one is 1,000,000 bushels in weight ahead; if two per cent is left in they are 2,000,000 bushels ahead. If the grain is worth one dollar per bushel it is a prize worth striving for.

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There are some 100,000,000 bushels per annum delivered thus to the terminal elevators at Fort William and Port Arthur, having a dockage varying from nothing to twenty-five per cent.

The English buyer receiving this grain will pay just what it is worth to him as he receives it. Buying by certificate, his price is based upon previous experience and receipts under the same class of document. If the commodity contains two per cent of dirt on a base price of \$1 per bushel of clean grain he says: 'There is two per cent of dirt in this. It is only worth 98 cents to me. It will cost me one cent per bushel to extract it and fit it for my rolls, so it is only worth to me 97 cents.' This becomes the base price of Canadian wheat which becomes the price for the whole of western Canada and is 3 cents per bushel lower than it would be if the grain reached England in accordance with the ideal on which it was inspected when taken from the farmer by the government, or \$3,000,000 on the total; \$2,000,000 of this loss goes into the pockets of the terminal elevator men, the balance to pay for the extraction of the dirt in England, and for which the Canadian farmer has already paid the terminal elevator men at Fort William and Port Arthur. The terminal elevator men does not stop here, however, as there is a spread of about 3 cents between the grades. As he receives it, he has the opportunity if so inclined, to secure to himself the difference between the average value of the grade and the minimum quality admitted into it. Supposing No. 1 to be composed of all wheat valued at 97 cents to \$1, the average value would therefore be 98½ cents. If 97-cent wheat is legally admitted into that grade going into the public bins the elevator man assumes that it may be legally delivered out of the bins; if perchance he can get it out and get it accepted as satisfactory, all being 97-cent wheat which is a perfectly legitimate grade according to the standard established by the Grain Act and which the British buyer could be compelled to take on certificate under which authority the grain was placed in the public bins; consequently perfectly legal and up to the contract called for by the inspection certificate. If the elevator man can accomplish this he is a further 1½ cent per bushel ahead, or \$1,500,000 on the total output by this trimming from the average to the minimum quality allowed in the grade. The English buyer bases his price on the quality received under the inspection certification and gives exactly what it is worth to him, being a cent and a half per bushel less than it would be if it went forward fully up to the average. This, added to the previously mentioned 3 cents per bushel, makes a total of 4½ cents per bushel reduction in the value of the grain. It may be objected that this would not be an average grade—no, but a perfectly legal one, and the chief inspector in sending forward his standard sample to England would not be likely to send one higher than any grain that could be called a legal tender under the specified contract in the Grain Act; in fact, he has said he does not.

Our contention therefore is that this opportunity and possibility exists, not only for the deterioration of the intrinsic value of our grade but for the retention of considerable foreign matter making a difference between the ideal of inspection as delivered to the terminals and the actual condition it is in when it reaches the British miller, amounting to the 4½ cents per bushel as previously stated, and vitally affects the price of every bushel of grain sold in the west.

The question naturally arises, if this opportunity is offered by our system, will the elevator operators really take advantage of it? Do they really do it? Are they so much inherently better than other men that they are above such things? In evidence taken before the Saskatchewan Elevator Commission this summer, the managers of different institutions declared that they would, and averred that they would be very foolish if they did not.

A Mr. Williams, of the Winnipeg Elevator Company, said to us that a dealer would certainly take advantage of a farmer if he could, but he could not do it he said, as the farmer was too wideawake for him; but the farmer believes quite differently regarding the latter part of the statement, the farmer being perfectly helpless in this matter.

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In the United States there are now very many more private terminal elevators than there are public terminal elevators. This is true of Minneapolis, Chicago and Kansas City, where they have sample markets established, and the trade of mixing, trimming and skinning is worked into a regular science. This summer while interviewing several managers of these large firms, they told us of the skill and perfection attained by their men in mixing grain at these private terminals and the money they made at it. The corporations having control of some of the largest of these mixing plants in the United States now control and operate mostly all the terminal elevators and facilities at Fort William and Port Arthur, possessing the most thorough understanding of the mixing art.

The opportunity to carry on the business is there and they say they will do it if permitted. They have been fined heavily already for doing so and they doubtless have done thousands of things they were not fined for. The fine was not returned to the people they robbed, neither was the fine at all commensurate with the plunderings carried on.

Mr. Horn has declared as well as Mr. Castle, that the grain trade of western Canada is now in the hands of large American operators, the inspection department at Fort William also declared that they were unable to cope with these men and that inspection does not inspect, that there seems little use in setting a sixty-five dollar per month inspector to watch a one-hundred and twenty-five dollar a month manipulator. Will they take advantage of such an open door?

There is another source of creaming going on after inspection, while not done in the terminals it vitally affects the output. I refer to our western milling industry. The manager of one of these large concerns in evidence to the Saskatchewan Elevator Commission indicated that they took care to place their elevators at points where wheat of the highest milling value was produced. Besides this they would buy large blocks of wheat from commission men and small elevator companies which would be billed to their mills. Their expert would then open a car, make selections of the best for their purposes and send the rest forward to the terminals. This was not done from a sample but the expert had the whole car before him and the graphic words of the witness were: 'He would be a jack if he did not keep the best.' We do not dispute this with him. Our point is the opportunity is there and they will take advantage of whatever opportunity offers. This certainly gives them an advantage of from one to two cents per bushel, the farmer being robbed of it, and the total output from the public bins deteriorated to that extent. Will they take advantage of such an open door?

Hon. G. H. V. Bulyea, speaking in the first annual meeting of this association in 1902, said: 'At Regina recently, grain dealers were paying fifty cents per bushel for wheat worth 75½ cents at Fort William.' The freight rate with elevator charges amounted to 11½ cents, therefore the wheat should be worth at Regina 63¾ cents, leaving 13¾ cents for the dealer, which the honourable gentleman said 'was simply robbing the farmers.' Evidently at that time they would if they could, and they did.

About this time at a meeting in which Hon. R. S. Lake and Senator Perley were present, the Hon. Walter Scott was called upon to speak, and said in part that 'he had reviewed the grain situation in parliament last year and had pointed out how farmers in the west had suffered from undue discrimination on the part of grain dealers. These men,' he said, 'had made flat denials, but he would be thoroughly prepared for them this year.' He further said that the base of the trouble he thought was in the transportation and resolutions could not be made too strong, in fact they should be dipped in vitriol. If these words had any justification at that time, what significance has this demonstration for this parliament who have been so repeatedly appealed to on this inspection and permanent elevator question. Resolutions have been passed and representations made to the Dominion government at every recurring annual meeting of this association, culminating in this monster demonstration. The Legislature of Saskatchewan on December 14, 1909, passed the following resolution:—

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Whereas this House is of the opinion that under existing conditions both interior and terminal elevators being private and identical interests operate to the disadvantage of the grain growers of Saskatchewan;

Therefore be it resolved that in the opinion of this House the government of Canada should own and operate the terminal elevators.

In 1903, Hon. Clifford Sifton speaking to the grain dealers in Winnipeg, said:—

Farmers are entitled to as much consideration as grain dealers. When a producer comes to parliament and says: I have produced a commodity and I object to it passing through the hands of a set of middlemen who take from it an undue toll; I say to you, and I say plainly, that no parliament in Canada can afford to disregard such a protest.'

Hon. members of this House, to-day the producers are here at the parliament of Canada making that statement in the strongest possible way they know how, and we commend to you the wisdom of the hon. gentleman's remarks: 'No parliament can afford to disregard such a protest.'

This delegation is tired of this manipulation, they want it stopped, and stopped without further delay. We are told it is a herculean task, that it will be opposed by all the wealth and influence of the powerful corporations interested. We do not deny it, we expect it.

What can this parliament do for this delegation? What can this delegation do for this parliament?

Some four years ago a delegation of ours was interviewing Sir Richard Cartwright on this matter and that hon. gentleman informed them that though it was a big problem he would sooner spend a few millions on this matter than in the purchase of battleships and fortifications.

Gentlemen, this delegation is thoroughly loyal to our country and empire, and we do not wish to lose or weaken in any particular our proud position on the seas, but we earnestly desire to be protected from positive pillaging invaders on the land before we sail out in ironclads to catch possible plunderers on far distant seas.

Let me in closing refer to the vast aggregate wealth represented by this delegation, each member of the western part of it we estimate has a half section of land valued with its equipment at at least \$10,000. There are 30,000 in our western organizations which means an investment of 300,000,000 dollars, if as our friendly rivals declare, we are only 25 per cent of the western farmers, we would represent the enormous aggregate of 1,200,000,000 dollars, and we think we may fairly claim to be the articulate mouthpiece of the whole.

Now, we think conditions should be so that this capital invested should earn interest as well as the capital invested in other industries which under present conditions is, we think, impossible.

We have heard the resolutions read and discussed which are to be presented here regarding the Hudson Bay Railway, the Railway Act, the Tariff and Chilled Meat industry, and with all of which we concur.

If these recommendations are adopted and put into practice we believe that a step will have been taken towards bringing about that happy time when the agricultural industry will be more remunerative; that the business of farming will be more attractive, and the unnatural drain from the rural communities towards the cities will be stopped and rural life become a little leaven to leaven the whole lump of the Canadian nation which we believe must lead the world in the solution of Twentieth Century problems.

Mr. THOMAS CHISHOLM, M.P., (East Huron).—I desire to ask Mr. Green if he can give us some documentary evidence and samples of grain to show us differences in prices between the United States and Canada and also difference in standard. Of course, as members of parliament, we require to have evidence, something that will be indisputable. I am very much pleased with the stand he takes and would like it proved.

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Mr. GREEN.—The Prime Minister has notified our executive to discuss with him this terminal elevator question, and we will be able to present data, I think, to prove every statement that was made so that it will be irrefutable.

Mr. McCUAIG.—The next I will call on is Mr. W. J. Tregillus, vice-president of the United Farmers of Alberta, and a member of the Canadian Council of Agriculture.

Mr. TREGILLUS read the following paper:

To the Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada; the Members of the Government, and the Members of the House of Commons.

In presenting a third report on the elevator question it is not our intention to go into the matter deeply, believing the arguments which have been presented by the other members of this Council are irrefutable; we desire, however, to lay further, especial emphasis on the great need for terminal facilities being provided at the Pacific coast, which will allow the Alberta farmers to get their grain to the world's markets by the cheapest possible route.

Situated as Alberta is, such a great distance from lake ports, our grain growers have been seriously handicapped, since entering the business, by the heavy hauling charges entailed in getting their products to the water front, and if our rich soils had been less productive, they would have been unable to make a living from growing grain.

Unfortunately much of our land has been under cultivation for several years and is therefore losing some of its virgin fertility, so that we cannot count on the large average yields in the future, to which we have been accustomed in the past, considering this fact, and also that the factor determining the freight charges, is the length of the haul, *is it to be* wondered at, that we have been casting longing eyes upon the year-open ports of the Pacific Coast?

In spite of the fact that there are no facilities on the Pacific Coast for economically handling grain, much of Alberta's surplus is already going in that direction: with terminal facilities, not only would Alberta's grain, but a large proportion from Western Saskatchewan also would go that way.

We have in Alberta assisted for years in the fight for government ownership of all terminal facilities, because the abuses as practised by the terminal operators have affected us as deeply as those producing grain to the east of us.

It was in 1906 when the first demand was made for terminal facilities at the Pacific coast, and this demand culminated in a deputation waiting on your government in April, 1909, asking for terminal accommodation there.

This deputation was given to understand that if the officers of your government, connected with the grain trade, were convinced that such was necessary, the matter would be taken into consideration.

Since that time events have transpired and evidence has been acquired by your officers which shows that there is no possibility of the grain trade being placed upon a stable foundation unless all terminal facilities are owned and operated by the government as a public utility.

Having further regard to the western terminals, we would point out that at the present time there are no obstacles in the way of government ownership; the path is perfectly clear for immediate action of the government, and the farmers of western Canada are anxiously waiting for these facilities to be provided.

It is true that private interests and interests connected with the grain trade are willing to launch upon this business; in fact it is understood that terminal sites are being procured by some of them; if the government acts promptly in this matter, there will be no need for purchasing vested interests from any company upon the Pacific coast, and for this reason, we wish to especially press this matter upon your attention at this time.

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A further reason for the establishment of terminals at the Pacific coast is that because of the *lack* of these, there is now no market for certain grades of grain, and frequently cars of grain consigned to the coast are found—on inspection at Calgary—to be unsuitable for that market, and have to be re-billed to Fort William or Port Arthur, and owing to the fact that Calgary not being an order point, the railway company are enabled to make extra charges, adding considerable expense to the shipper.

We trust we have made it quite clear to you that the question of terminal elevators is one of greatest moment to the farmers of western Canada, the solving of which would mean a great deal to them. We are absolutely unanimous on this question, and believe the only remedy is government ownership, and we sincerely trust that you can give us the definite announcement that your government will immediately introduce legislation for the government ownership of all terminal elevators.

Mr. McCUAIG.—I am now going to call on Mr. D. B. Wood, of Hamilton, president of the Dominion Millers' Association.

Mr. D. B. Wood.—Sir Wilfrid Laurier and Gentlemen, before proceeding with the remarks laid out for me to make, I desire to congratulate the members of the Grain Growers' Association on the able, the reasonable, the logical presentation that has been made of this case up to the present time. I desire also, on behalf of the Dominion Millers Association, Sir Wilfrid Laurier, to express our appreciation of the fact that you have given us an opportunity to come here and present our views on this very important matter. Our views are something as follows:—

Proceeding, Mr. Wood read the following paper:—

The Right Hon. Sir Wilfrid Laurier, Prime Minister of Canada:

As president of the Dominion Millers' Association and making the representations I do to you to-day in support of the resolution presented by Mr. McCuaig for the Grain Growers, they represent not only all the millers in Ontario and Quebec east of the great lakes, excepting perhaps the Ogilvie Milling Company and the Quaker Oats Company who have their own terminals at Fort William, but also the consumers of Manitoba grain abroad as their interests are indetical with ours.

On September 1 last at our regular meeting, the following resolution was carried without a dissenting voice, a copy of which I now present to you:—

'Whereas the finding of the three terminal elevator companies at Fort William and Port Arthur last spring for mixing and otherwise handling grain contrary to the law shows that it is impossible as long as these elevators are operated by private interests to prevent these and similar nefarious practices, notwithstanding the most stringent regulations and every effort being made on enforce them;

'Therefore, be it resolved, that the Dominion Millers' Association in annual meeting assembled, respectfully request and urge the Dominion Government without further delay to acquire and operate the terminal elevators at Fort William and Port Arthur as the only means of placing all shippers through these public terminals on a fair and equal basis, and prevent a large portion of the business of the Ontario mills and the grain export business of western Canada from being destroyed for the benefit of a few private corporations operating the public terminal elevators at Fort William and Port Arthur.'

We have over 300 mills scattered throughout Ontario east of the great lakes with a capacity to manufacture over 42,000 barrels of flour per day, all of which must have Manitoba wheat. The business of these mills, both local and export, is suffering from the flagrant and wilful violations of the law of which the Terminal Elevator Companies at Fort William and Port Arthur have been proved guilty. It is true

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three of them have been fined \$5,500, but as they could easily make eight or ten times that amount in manipulating the grain, as they did according to Commissioner Castle's report, a fine of this sort will not likely discourage them. We may note here that advices from Winnipeg this week state that Commissioner Castle has entered an action against another of the terminal elevator companies.

Every interest connected with the grain trade, the farmers, the dealers, the millers and the exporters, have asked the government to take over and operate these elevators. Why should all these interests with millions of dollars invested in their various businesses be milched for the benefit of a few selfish corporations who defy the law and destroy the public confidence in the grades of Manitoba wheat both at home and abroad as inspected by the Dominion inspector?

The proposition which we bring before you is a unique one. The Dominion government is asked year by year to vote millions of money for projects, worthy as they may be, from which they receive no direct return, such as bonuses to railways, &c. But in this case we are asking the government to spend eight or ten million dollars in purchasing property which will to-day not only pay interest and sinking fund, but good dividends as well, with a steady increase in revenue year by year resulting from the ever-increasing crops.

That the business is a profitable one is shown by the additional elevator capacity erected there of over 2,258,000 bushels in the last year or two, or, including the terminals of the Grand Trunk Pacific, over 6,000,000 bushels, so that now the total capacity is over 26,000,000 bushels, whereas the largest amount ever stored in these elevators at one time was under 14,000,000 bushels in April last. This goes to show that this large additional capacity erected during the last year or two is not because it is needed, but because the business is an exceedingly profitable one. We have direct evidence on this point, as when an application is made by the Grain Growers' Association and our association to the Board of Railway Commissioners for a reduction in the elevator charges at Fort William, because the Canadian Pacific Railway were charging over 12 cents a bushel a year for elevating and storing grain, including insurance, at Fort William as against about one-quarter of this sum at their elevators at Owen Sound, the Canadian Northern swore that after providing for depreciating, renewals, repairs and running expenses, that their profits arising from the elevator charges were not more than 8 per cent on the amount which they had invested in the elevators and terminals connected therewith. The Canadian Pacific Railway swore that their profits were only 4 per cent under the same circumstances, owing, no doubt, to several of their houses being out of date, and also owing to the grain being diverted to the privately-operated houses where the mixing and manipulation of the grain could be carried on.

This being the case, we hope to hear from Sir Wilfrid before we leave to-day that he and his colleagues have decided that they will no longer allow these three corporations to prey on every interest connected with the grain trade of our great Northwest, but that they will accede to the request made in the past and reiterated here again to-day by all these interests to take over and operate these elevators forthwith, and thus place, as it were, the key-stone on the efforts which they have been putting forth year to year to assist and protect the agricultural and allied interests of this great country of ours.

Mr. McCUAIG.—The next gentleman I will call on is Mr. George E. Goldie, speaking for the Ontario millers.

Mr. GEORGE E. GOLDIE read the following paper:—

As representing with Mr. Wood, the Dominion Millers' Association, I wish to support the resolution presented by the Grain Growers.

All the milling interests of the Association as well as my own are located here in Ontario, and having no western elevators we have to buy all our grain at Fort

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William, and in order to maintain the high quality of our products and meet the keen competition of the great mills west of the lakes, it is absolutely necessary that we should secure our grain of the same high standard as it is sold by the producers in the west and by it at its legitimate value. With grain dealers operating the terminal elevators at Fort William and Fort Arthur we find not only is the quality of the grain as shipped out of the elevators, unsatisfactory, but we find that owing to the terminal elevator companies buying up the cash grain to earn for their houses, the heavy storage charges now imposed that we have to pay more for the cash grain than it is worth, generally half a cent per bushel or more, when we go to load our boats. Some may say that this advance in price is a good thing for the farmer, but as a matter of fact the farmer receives no benefit from it as it is only the spot wheat in Fort William that is available to load the boats within a day or two that the price is advanced on.

Wheat which has only reached Winnipeg frequently carries no premium and the farmers wheat coming forward from the country or in the country elevators is sold on a basis of about the current option. To illustrate, take the price of 1 Northern. On November 26, spot price 92 $\frac{1}{2}$, country price, 92 $\frac{1}{2}$; 3 Northern spot, 87 $\frac{1}{4}$; country, 86 $\frac{1}{2}$; November 30, 1 Northern, spot 90 $\frac{1}{4}$; country, 90; 3 Northern spot, 84 $\frac{3}{4}$; country, 83 $\frac{3}{4}$. Evidently there was December 3rd, 1 Northern spot, 92; country, 91; 3 Northern spot, 86 $\frac{1}{2}$, country, 85. December 6, 1 Northern spot, 91 $\frac{3}{8}$, country, 91 $\frac{1}{4}$; 3 Northern spot, 86 $\frac{1}{8}$, country, 85 $\frac{1}{4}$. December 9th, 1 Northern spot, 90 $\frac{3}{8}$, country, 90; No. 3 Northern spot, 84 $\frac{3}{4}$, country, 83 $\frac{3}{4}$. I could give you the same figures on 2 Northern showing the premium running from $\frac{1}{4}$ of a cent to 1 cent per bushel, depending on how keen the demand was for grain to load boats.

Nor is this the only way that we are held up by the terminal elevators, as only last week I chartered two vessels to load grain at the elevators for winter storage to bring down at the opening of navigation, and not only did the elevators shove up the price spot grain $\frac{1}{2}$ cent per bushel when they found it was required for this purpose but they notified the vessel owner that they would not load any grain into the boats after the 10th December, although the elevators run all winter and ship grain out by rail.

Their action was simply another move to keep the grain in the elevators subject to their heavy charges, and an additional burden on the millers and exporters who are buying the grain for legitimate business purposes.

As one of the Royal Grain Commissioners I was opposed to government ownership of the terminal elevators and reported against government ownership, but in favour of steps being taken to prevent any parties interested in the grain trade from owning or operating the terminal elevators. Personally I am just as strongly opposed as ever to government ownership as a general principle, yet the conditions at Fort William are such that I am now convinced that there is no other remedy for the outrageous state of affairs existing there than government ownership and operation.

The steps taken by the Winnipeg Grain Exchange to curb the evil by the issue and registration of terminal warehouse receipts are entirely insufficient as it would still be possible by selection from the grades for the terminal elevator owner to put an illegitimate profit of 1 cent or 1 $\frac{1}{2}$ cents per bushel into his pocket and at the same time to so handle his export business that he would ruin the business of any firm exporting in competition with him through his house.

The Winnipeg Grain Exchange in their last annual report referring to this question, state in part as follows:—

They deplore the fact that owing to information already made public, confidence in the handling of grain through the terminals has been seriously impaired. These facts and those submitted by the previous speaker show that the present method of operating the terminal elevators is such a serious menace to the grain and flour industry of this country that it must speedily be removed or irreparable damage will be done, and therefore we ask you to take immediate action.

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Mr. McCUAIG.—The next gentleman whom I will ask to address you on this question is Mr. Hedley Shaw, of Toronto, representing the Toronto Board of Trade.

Mr. HEDLEY SHAW read the following paper:—

I beg to present the resolution of the Toronto Board of Trade in support of the resolution presented by Mr. McCuaig for the grain growers, as follows:—

Whereas representatives of the Winnipeg Grain Exchange, the Montreal Grain Exchange and the Kingston Board of Trade, waited on the Dominion government representing that it was of the utmost importance that the various grades of grain is inspected by the government inspectors should reach the consumer both in the eastern provinces and abroad without any admixture or selection of the grades, and they believe that the only way to attain this is for the government to take over and operate the terminal elevators at Fort William and Port Arthur;

And whereas since then no less than three of the terminal elevators were heavily fined for mixing the grades contrary to law in spite of the close supervision which the government maintained by means of their various officials;

And whereas from past experience we believe that the only way the grain can reach the consumer of the same quality and inspected into the elevators by the government inspectors is that it be stored in government elevators at Fort William and Port Arthur;

Therefore be it resolved that this grain section of the Board of Trade of the city of Toronto most earnestly request the Dominion government without delay to take whatever steps are necessary to take over and operate the terminal elevators at Fort William at the earliest possible moment so that the milling and export trade may be no longer handicapped by the dealers in grain owning and operating the terminal elevators through which the independent shippers are compelled to ship their grain thus removed forthwith especially as the acquisition and operation of these terminal elevators by the Dominion government would prove a very profitable operation and grow more profitable year by year as the quantity of grain to be shipped through these elevators will undoubtedly increase very largely each succeeding year.

In support of this resolution I beg to say that I have a line of interior elevators in the Northwest, I have mills at Brandon and Kenora, west of Fort William, for which all the grain is supplied as bought from the farmers. I also have mills at St. Catharines and Thorold and have now in course of erection an 8,000 barrel mill at Port Colborne, all in Ontario. The grain for these latter mills must come through the elevators at Fort William. Now I find that the grain which I take in at the mill at Kenora that has not passed through the terminal elevators at Fort William and Port Arthur is worth half a cent to a cent and a half more for milling purposes than the grain of the same grades which is shipped out from Fort William and Port Arthur elevators for use in my mills this side of the lakes. There is no difference in the value of this wheat as shipped by the farmers and inspected at Winnipeg, and there should be absolutely no difference in its value if it were shipped out of the Fort William and Port Arthur elevators as it is received in.

Why the difference?

1. Because the men operating those elevators take grain which is stored there by the farmers and dealers and which they do not own and should not have any interest in except as warehousemen and manipulate it by mixing No. 2, No. 3 Northern and even No. 4 into 1 Northern as shown by Commissioner Castle's report.

2. By the selection of grades.

3. By not cleaning the grain properly as called for by the inspection certificate.

Referring to the latter I find the average dockage on grain going into my mill at Kenora as assessed by Inspector Horn is 1½ per cent. If this average dockage applies

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to all grain passing through Fort William, it would amount to over a million bushels per year. Do the elevators clean out of the grain passing through their houses over a million bushels a year? I think not. In this way they are enabled to put into their pockets a much larger profit and illegitimate profit than they could make by the legitimate operation of the elevators, notwithstanding the enormous storage charges which the grain has to bear.

What Mr. Goldie, the last speaker, told you regarding the cash premium is absolutely correct, as I have been up against the same thing every time that I have loaded a boat, and the profits in the milling industry are now cut so fine, especially in the export business where we have to compete with flour made from wheat from all over the world that we cannot profitably continue in business if subject to this handicap, even if the grain shipped out of Fort William and Port Arthur elevators was of equal value to that received direct from the west at our Kenora mill.

If the government does not take over and operate these elevators at once there will be no other course left me but to build a terminal elevator at Fort William in connection with my milling business, so that I can get the grain without its being manipulated or degraded for use in my mills down here. Then if I wish to compete with the other elevators successfully, I would have to adopt the same tactics that they do in handling the grain.

I trust, however, that the Dominion government will, by deciding to-day, to buy and operate the terminal elevators put a stop to the further tying up of large sums of money in erecting more elevators at that point. Already the capacity of the elevators there has never been much more than half filled and is sufficient for the requirements of the trade for many years to come if in the hands of one management.

The members of the council of the Board of Trade of the city of Toronto are opposed as a whole to the principle of government and municipal ownership and so express themselves in considering this resolution, but they felt that it was a case of 'desperate diseases needing desperate remedies' and therefore they have forwarded this resolution to you with the earnest request that you will at once remove the grievance and restore the confidence of local as well as foreign buyers in the integrity of the grades of Manitoba grain as inspected by the Dominion government inspector.

Mr. McCuaig.—The next gentleman I have to call upon is Mr. W. H. Richardson, of Kingston, who speaks for the grain dealers and exporters, both east and west.

Mr. H. W. Richardson.—Sir Wilfrid Laurier, Sir Richard Cartwright and Gentlemen: I did not expect to be here again this week to appear before you. However, I have been nominated by the Winnipeg grain exporting committee to represent them to-day on the floor of the House. As an exporter, I take great pleasure in being here to represent them. I have not prepared any set speech, but I know my subject fairly well. Sir Richard, I had the pleasure of appearing before you last February on this very question of terminal elevators, a question of vital importance to our country. And I must say, I thank you very sincerely for what you did, because there has been an improvement—no doubt about that whatever. Regarding my knowledge of the western business, I might say that our firm has been operating in the Northwest buying directly from the farmers and others since 1883, and we have continued up to the present day. Last year, we shipped 14,000,000 bushels of grain from Fort William. We have a line of country elevators carried here and there from High River south to Calgary and Portage la Prairie. We ship our grain to the terminal elevators in Fort William. This grain is inspected in transit at Winnipeg, and goes into the bins of the terminal elevator. Last spring, when I was before you, gentlemen, I made the charge that the grain was shipped out and skinned down to the lowest of the grade. Let me explain: Suppose that you have a car of wheat that should go No. 1 Northern. It is raised, perhaps, on the Portage plains, and it may not be as heavy as wheat raised in the West. It goes a pound shy. Then, you have another car of wheat from Saskatchewan that goes two pounds

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to the bushel overweight, but it is not hard enough and it grades No. 2. Thus, you have the two, one being underweight and the other being overweight. Put these two together, and you have No. 1 Northern, a grade that every inspector would have to give it. This costs the elevator nothing and brings them a profit of \$60. Of course, this is a loss to the country. I do not accuse these men of doing anything but what the law allows them to do. But I am here to-day to say that the only way I can see in which we can better this condition is for the government to take over the terminal elevators and operate them through a commission representing the grain growers and the Winnipeg, Montreal, Toronto and perhaps Kingston grain exchange. Put these elevators out of politics. The commission I speak of would represent the men who are furnishing the goods, and they will see that the goods are handled right. The question of cost naturally arises. I believe that they will pay; if present rates are charged, they will make enormous dividends. For instance, we pay one cent a bushel storage for every month. That includes insurance. But there are a number of concrete elevators the insurance on which costs at the rate of only one-fifth cent per bushel per year, or, on a bushel of oats, less than one-twentieth of a cent. Yet the man who puts the grain there, if he kept it a year, would pay 12 cents a bushel on wheat, and about one-third the value of the oats. But, take the Goderich elevator, which has been built for four or five years. They charge one and a half cents a bushel on winter storage, and one-half cent for handling in the summer time, with thirty days free storage. And they are able to pay, 10, 12, 14 per cent dividends. Regarding the cost of these elevators, I had the pleasure of being in the Railway Commission about a year ago, when the question was taken up by that commission. There was not a representative of the elevators who did not state that they were not paying six per cent—perhaps five per cent or four per cent. If that is all they are paying, surely the government can buy them cheap enough.

I noticed a statement in a newspaper some time ago that it might be good policy to adopt the Minnesota law. Gentlemen, I think our trouble is all from Minnesota. All the wrinkles, all the knowledge gained in thirty-five or forty years of elevator terminals there has been brought to Canada and used in Canada. We were doing much better before the Minnesota people came in. Do not let us go there to look for help. Surely, we are able to help ourselves.

Now, we want to keep up the character of our grain in Europe. We stand to-day with the reputation of shipping the best wheat to Europe that is shipped from any part of the world. Our wheat, it is true, does not bring much more than Minnesota wheat, but it always has a preference. But two or three years ago, when the Dakota crops were not good and the millers of the United States had to come to Canada for wheat, one of the best millers in the United States told me that he liked our wheat, that it reminded him of the old days when they first commenced to mill. That shows you that our wheat is better than theirs. Although it may not be the wheat; their grade is skinned down. I think that our No. 2 Northern to-day is equal to Minnesota No. 1 Northern. I think that if I were to lay these two grades down before a miller in New York State, he would give ours the preference. Now, we want to keep it that way; we do not want to weaken our grades. I have always said that we have the best climate, the best people, we can raise the best wheat, and we have the best waterways,—let us keep on doing. We are a great country, and we can afford to buy these terminal elevators. And not only that, but you can charge much lower rates than they do and still make money. In the busy season all the elevators would be needed, and you could use them all. But after the 5th of December, when you get through shipping, the demand for elevator space is much less. You could close up two-thirds of the elevators and still have all the space you need for the crop. You would pick out the elevators that are built of concrete and that cost very little for insurance either on the house or on the grain, and so you would be able to save millions, and the operation of same would be easy.

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THE CHILLED MEAT INDUSTRY.

Mr. McCUAIG.—The next request we have to place before you, Sir Wilfrid and gentlemen, is in regard to the chilled meat question. Our resolution is as follows:—

Whereas it is of very great importance to the whole of Canada that prompt government action be taken towards establishing a complete chilled meat system on a sound and permanent basis, with the interests of the producers adequately protected; and

Whereas, the live stock industry of Canada has been neglected, and if the neglect is continued it will soon result in impoverished farms, and the live stock industry of the country will make no headway until it is made worth the farmers' while to produce and furnish more and better stock; and

Whereas the farmers are on account of the unsatisfactory market going out of the meat producing business, and will not again take it up until the market is placed upon a stable basis, and further that under the present system of exporting there is always a danger of the markets of the world being closed to us, which would result in ruin to many; and

Whereas on account of the danger of encouraging monopolies the farmers cannot be satisfied with anything short of a meat curing and chilling process inaugurated by the Dominion Government, and operated in such a way that will guarantee to the producers the value of the animals they produce;

Therefore be it resolved, that the government be urgently requested to erect the necessary works, and operate a modern and up-to-date method of exporting our meat animals.

We suggest that a system owned and operated by the government as a public utility, or a system of co-operation by the producers through the government, in which the government would supply the funds necessary to first instal the system and provide for the gradual repayment of these funds and interest by a charge on the product passing through the system, would give the relief needed, and make Canada one of the most prosperous meat producing countries in the world.

CANADIAN COUNCIL OF AGRICULTURE.

D. W. McCUAIG, *President*.

E. C. DRURY, *Secretary*.

I will ask Mr. D. W. Warner, one of the directors of the United Farmers of Alberta, and member of the Canadian Council of Agriculture, to address you on this subject.

Mr. D. W. WARNER.—Right Hon. Sir Wilfrid Laurier, Prime Minister, members of the government, and members of the House of Commons: Before taking up the subject committed to me, I wish to say that we have listened to the papers that have been prepared very carefully, and we know that they carry weight; we know there is argument in them. But I want to bring to your attention some of the difficulties of the very foundation of agriculture the world over—not alone in Canada, but the world over—the rearing of a profitable market for the live stock produced on our lands.

Proceeding, Mr. Warner read the following paper:—

To the Right Honourable Sir Wilfrid Laurier, Prime Minister, the Members of the Government and the Members of the House of Commons:

The live stock trade, of great importance now, must ultimately become the backbone of agricultural prosperity in Canada. We realize the importance of carrying on a mixed farming business, and we know that the keeping of stock is not only the best but the only means of preventing the depletion of our soil in anything like a permanent manner; all other means being more or less temporary.

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Our prairie provinces, on account of the facility with which food can be produced, and the salubrious character of the climate, ~~is~~ exceedingly well adapted for the production of food-producing animals. Yet, on account of the inadequacy of the system of marketing stock, and notwithstanding the fact that consumers in the large centres of population have to pay very high prices for meat, the returns to cattle raising are so discouraging that increasing numbers of them are going out of this business to an alarming extent. The old cheap method of raising cattle on large ranches is rapidly disappearing; in the near future the only source of supply will be the farms, and under present conditions the farmer cannot possibly raise the number of cattle needed for the home and export trade with any reasonable profit to himself. Thus, one of the greatest sources of our agricultural wealth is being destroyed instead of being developed. We wish to impress on you the necessity of a profitable, economical and permanent market for our meat products. The marketing of our meat has so far been left in the hands of monopolies, of whose methods much complaint has been made and not without cause. We wish also to draw attention to the danger we are in while we leave the opportunity open for the United States meat interest to capture and control the export trade from our country. We contend that it is a very vital importance, if the Canadian meat export trade is to grow and prosper as our natural resources will permit that Canada must have her own route and equipment. Another serious condition rises when from any cause a crop is of poor quality, and there is no sufficient stock in the country to consume it. Still another complication, due to the poor and uncertain price for beef, is the deterioration of our beef animals through crossing of dairy breeds with them and the tendency to careless breeding of inferior stock.

The farmers in view of this situation believe that the remedy for this condition of affairs is the establishment of an export trade in dressed meat.

As to the advantages and feasibility of that proposition, we also quote extracts from the report by Dr. Rutherford, of August 1, 1909:—

‘There is no doubt but that if the enterprise were properly financed, started on a firm basis, and conducted in an honest and business-like manner in the interests of the producer, there would be far less actual wastage than at present. It is altogether likely that, had it been possible to secure the required capital, the trade would have been inaugurated years ago.

‘Such an enterprise, to be productive of the greatest benefit to all concerned, should be under effective public control, and it is to be hoped that in the not distant future some practicable scheme will be evolved, while affording a better and more reliable and regular market for our western live stock, will still leave the producer free from the trammels of any trust, whether foreign or domestic.

SITUATION IS DANGEROUS.

Canada is practically without abattoirs equipped for the slaughter of cattle, except to a very limited extent for the home market. She has no system of refrigerator meat cars, and has entering her ports very few ships fitted for the carrying of meat. In view of these facts it is scarcely necessary to dwell on the risk which she is constantly carrying. At any time, in spite of the best efforts of her veterinary sanitary service, the appearance within her borders of one or other of the diseases scheduled by the British Board of Agriculture is within the range of possibility. As matters now stand, were such a thing to occur, especially within the short period in which our western cattle are shipped, or at the time when our winter fed steers are being marketed, the consequence to the producers would be disastrous, while the whole trade would receive a blow from which it would require many years to recover. For this reason, if no other, the establishment of a chilled meat trade on sound business lines and under proper control may fairly be termed a matter of national importance.

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Besides the risk suggested by Dr. Rutherford, we may point out that by shipping the cattle on foot, we pay all the transportation expenses on the live weight, which is virtually just the double of the real meat weight. We incur large expenses in attending to and feeding the cattle during the journey; the cattle waste and deteriorate during the journey and bring lower prices on arrival, and so in every way the present method of shipping cattle alive is the most wasteful method of conducting this business, both for producer and consumer, to say nothing of the suffering of the cattle during the long journey. After long and earnest consideration we have concluded that we as a nation cannot afford to have the farmers, our greatest wealth producers, left without a good market for their produce and hampered by trusts and monopolies. Such a condition, we think, would lessen their efficiency as farmers and stockmen, and tend to bring about a permanent and irreparable damage to the nation as a whole. This is not a new question. It is an old and serious one to those who, struggling along under the many adverse conditions, find that they are compelled to sacrifice the animals they have reared on the altar of monopoly, and find that the money they had hoped to obtain for the sustenance of their families has gone to further enrich the powerful and already rich operators of the meat-trust.

We urge your government to seriously consider the advisability of providing the necessary equipment for the carrying on of a chilled meat trade with the British markets for the benefit of stock growers. We have all the more assurance in making this request from the fact that it has been the fixed policy of your government, since 1896, to grant bonuses for the development and encouragement of new industries in the different provinces of the Dominion. The government of Canada has paid bounties to fishermen of the maritime provinces to aid in the development of their fisheries during the last twenty-seven years the sum of \$4,265,815. Since that date they have paid to the lead industry, \$1,131,378; manila fibre industry, \$144,459; crude petroleum industry, \$1,559,672; iron and steel, \$11,922,420; manufacture of steel, \$1,633,702; making a total bounty granted these industries of \$16,593,531. Including the bonus to fishermen the amount is \$20,859,815. It is a debatable question whether, on account of the price paid, these industries are enabled to charge the public for their commodity through the protection granted them by the tariff, much benefit accrues to the people of Canada for this large gift to the different industries. Be that as it may, all the provinces of the Dominion, with the exception of the prairie provinces, have participated directly to these bounties. Furthermore, the government has, on no occasion granted a bounty towards the development of any branch of the agricultural industry. In view of this fact it does not seem unreasonable if the western farmers should request the government to render aid in creating conditions that would enable the farmers to market their stock produce to the best advantage. Furthermore, the bounty granted these other industries is a free gift. In our case we only request the government to make an investment that would be an addition to the capital account of the Dominion and could be made to pay interest on the investment directly.

While asking that the government undertake to put in a meat chilling system, we wish it to be fully understood and made clear that our associations are not asking something for nothing. We suggest that a system owned and operated by the government as a public utility or a system of co-operation by the producers through the government, in which the government would supply the funds necessary to first instal the system, would give the relief needed and make Canada one of the most prosperous meat producing countries in the world.

We urge that you give our live stock industry immediate and substantial assistance by improving market conditions through a national government meat chilling and export business.

The resolution on this question adopted by our association and presented to you for consideration, reads as follows:—

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Whereas it is of very great importance to the whole of Canada that prompt government action be taken towards establishing a complete chilled meat system on a sound and permanent basis, with the interests of the producers adequately protected, and

Whereas, the live stock industry of Canada has been neglected and if the neglect is continued it will soon result in impoverished farms, and the live stock industry of the country will make no headway until it is made worth the farmers' while to produce and furnish more and better stock; and

Whereas the farmers are on account of the unsatisfactory market going out of the meat producing business and will not again take it up until the market is placed upon a stable basis, and further that under the present system of exporting there is always a danger of the markets of the world being closed to us, which would result in ruin to many; and

Whereas on account of the danger of encouraging monopolies the farmers cannot be satisfied with anything short of a meat curing and chilling process inaugurated by the Dominion government and operated in such a way that will guarantee to the producers the value of the animals they produce;

Therefore be it resolved, that the government be urgently requested to erect the necessary works and operate a modern and up-to-date method of exporting our meat animals.

We suggest that a system owned and operated by the government as a public utility or a system of co-operation by the producers through the government, in which the government would supply the funds necessary to first instal the system and provide for the gradual repayment of these funds and interest by a charge on the product passing through the system, would give the relief needed, and make Canada one of the most prosperous meat producing countries in the world.

THE HUDSON'S BAY RAILWAY.

Mr. McCUAIG.—The next subject we are to bring to your notice is the Hudson's Bay railway. Our resolution is as follows:—

Whereas the necessity of the Hudson's Bay railway as the natural and most economic outlet for placing the products of the western prairies on the European markets has been emphasized by the western people for the past generation;

And whereas the Dominion government has recognized the need and importance of the Hudson's Bay railway and has pledged itself to its immediate construction, and has provided the necessary funds entirely from the sale of western lands;

And whereas the chief benefits to be derived from the Hudson's Bay railway will be a reduction in freight rates in western Canada due to actual competition, which could be secured only through government ownership and operation of the Hudson's Bay railway;

And whereas anything short of absolute public ownership and operation of the Hudson's Bay railway will defeat the purpose for which the road is advocated and without which it would be in the interests of western Canada that the building of the road should be deferred;

Therefore be it resolved that it is the opinion of this convention that the Hudson's Bay railway, and all terminal facilities connected therewith, should be constructed, owned and operated in perpetuity by the Dominion government under an independent commission.

CANADIAN COUNCIL OF AGRICULTURE.

D. W. McCUAIG, *President*.

E. C. DRURY, *Secretary*.

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Mr. McCUAIG.—In support of this request, I am going to call on Mr. R. C. Henders, of Culross, Man., President of the Manitoba Grain Growers' Association, and member of the Canadian Council of Agriculture.

Mr. R. C. HENDERS read the following paper:—

To the Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada; the Members of the Government, and the Members of the House of Commons.

Situated as they are in the centre of the continent, the question of transportation becomes to western farmers of vital importance. For years they have had the idea established in their mind that the proper and most natural outlet for their farm products was by the Hudson Bay, that forming the shortest route to the European markets, reducing very materially the expensive land haul on commodities. They appreciate the fact that your government has taken steps towards building a railway to Hudson Bay. But there is an evident impatience in the public mind of the prairie provinces that the progress being made towards the construction of the road is not as rapid as the necessities of the case demand. We, therefore, urge that every effort be made towards the immediate construction of the Hudson's Bay railway.

The building of this road to the bay will be no burden on the public treasury as full provision has already been made by your government by which the necessary funds are already in hand being provided for by the sale of western lands. According to reports issued by your government western lands have been sold to the amount of \$21,000,000. It is anticipated that when the payments on these lands are completed together with the interest on the same that the total will amount to \$24,000,000. Estimates fix the cost of construction of the Hudson's Bay railway somewhere about \$18,000,000, so there is ample money in sight for this purpose provided as above outlined. We are gratified that your government has already declared its intention in devoting this money to the construction of the road to the bay. When the Pre-emption Bill introduced in the House of Commons two years ago, the Minister of the Interior in speaking on the Bill said:

'I am insisting on the pre-emption provision as a means of ensuring the early building of the railway to Hudson bay.' During the debate on the same Bill several statements of a similar purport were made on the floor of the House by members of the government.

In view of the fact that the Hudson Bay railway is being built largely for the benefit of the western people and that the funds for its construction have been entirely provided from the west it seems only reasonable that the construction, ownership and operation should be in accord with the express wishes of the people most interested.

The farmers of the west view with alarm the current reports to the effect that when the Hudson Bay railway is built by the government, it will be handed over to some private corporation to be operated by them as a private concern. There is a very strong and growing sentiment among the Canadian people west of the Great Lakes in favour of public utilities being owned and operated by the government. This sentiment has been, and is still being created and enlarged by the excessive charges made by corporations for the service they render to the public.

We desire to call the attention of your government to the fact that the farmers of the west are not alone in the expression of the above views on this question. Practically every board of trade in the western towns and cities has gone on record as strongly in favour of government construction, ownership and operation of the Hudson's Bay railway, so that there is practically a unanimity of opinion on this question in Western Canada to-day.

The prairie farmers have not only to ship out their produce, but have also to ship in all commodities required on the farm, and in the distribution of these commodities

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have very much felt the oppressive character of the present transportation system. This situation has led thinking men to look for a remedy, and there is becoming a settled conviction in the public mind that the only effective remedy is that public utilities, and semi-public utilities, should be operated by the governments—Federal, Provincial and Municipal—in the interest of the masses.

The present situation is that the few co-operate to discharge the function of distribution of commodities for the benefit of the few at the expense of the many. Instead of this, farmers consider that a new system should be adopted whereby the many, in the form of government, will operate public utilities for the benefit of the many; and groups of individuals discharge the functions of distributing commodities for the benefit of the many.

We would earnestly urge on your government that you will not only construct the Hudson's Bay railway as a government undertaking, as early as possible, and also provide all necessary terminal facilities for the handling of grain and other commodities as a government undertaking, but will also, on the completion of the road, operate it under an independent commission. To hand over the road, when completed, to a private corporation, would in our opinion, practically destroy its usefulness to western Canada; and we believe that the expenditure of the money required to build the road will not be justified unless the interests of the people are protected in the manner which we have indicated.

Whereas the necessity of the Hudson's Bay railway as the natural and most economic outlet for placing the products of the western prairies on the European markets has been emphasized by the western people for the past generation;

And whereas the Dominion Government has recognized the need and importance of the Hudson's Bay railway, and pledged itself to its immediate construction, and has provided the necessary funds entirely from the sale of western lands;

And whereas the chief benefits to be derived from the Hudson's Bay railway will be a reduction in freight rates in western Canada due to actual competition, which could be secured only through government ownership and operation of the Hudson's Bay railway;

And whereas anything short of absolute public ownership and operation of the Hudson's Bay railway will defeat the purpose for which the road is advocated, and without which it would be in the interests of western Canada that the building of the road should be deferred:

Therefore be it resolved, that it is the opinion of this convention the Hudson's Bay railway, and all terminal facilities connected therewith, should be constructed, owned and operated in perpetuity by the Dominion Government under an independent commission.

RAILWAY ACT AMENDMENTS.

Mr. McCUAIG.—The next subject we have to bring to your attention is the amendments to the Railway Act. The amendments proposed were not put in the form of a resolution. Mr. James Bower, the president of the United Farmers of Alberta, has charge of this and will present to you the amendments proposed.

Mr. JAMES BOWER.—Right Hon. Sir Wilfrid Laurier, Prime Minister, Members of the Government and Members of the House of Commons, as intimated by our president, our views on the questions to which I am to ask your attention, were not put in the form of a resolution. This is simply because we are asking for a number of amendments to the Railway Act. The whole paper which I am to read has been signed by our president and secretary in the same manner as the resolutions, and the whole paper will be submitted in that form.

Mr. Bower, proceeding, read the following paper:—

To the Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, the Members of the Government and the Members of the House of Commons:

We wish to draw your attention to the Railway Act, certain parts of which are oppressive and detrimental to the farming interests. The parts to which we have more particular reference at the present time are:

1. The liability of the railways in the respect to fences and cattle guards.
2. For stock injured on the lines.
3. The adjustment of freight rates and amendments to sections of the Act which have reference thereto.

We might here say that not only the stock-killing question but the freight rates affect the farmer more deeply than any other class of people. They constitute not only the great bulk of the producing class but also of the consumers, so that although those who are dealing directly with the railways and paying the tolls may sometimes feel aggrieved, yet they reimburse themselves by charging a higher price for what they sell or protect themselves in what they buy, by buying at a lower price from the producer so that ultimately the greater burden of the freight rates falls on the farmer.

As to the killing of stock on the railways, our complaint is that the law as laid down in the Railway Act is very vague, giving the companies the chance of evading payment of just claims, a chance of which they take advantage in hundreds of cases.

We wish to draw your attention to section 254, which is not sufficiently complete in itself to enforce the building of suitable fences and guards over all parts of companies' lines where such are needed.

A ruling which was given some time ago by the Board of Railway Commissioners would to a great extent have affected a remedy but this ruling has however, been appealed, and we understand that the appeal has been upheld. There is no doubt whatever that the ruling was given for good cause, but the question of jurisdiction was raised thus defeating the protection that would otherwise have been given to the farmer. The argument against it as presented by the railway companies is an absurd one—that each individual case be tried separately—because by the time that could be done the injury would have been effected and irreparable loss sustained. The reasons given by the trial judges of the Court of Appeal for upholding the appeal were that although the ruling was reasonable and wise yet that parliament alone should change the policy expressed in this Section 254 of the Act.

Now, while subsection 3 of this section clearly states that: 'Such fences, gates and cattle-guards shall be suitable and sufficient to prevent cattle and other animals from getting on the railway,' yet it is very plain to all those who have to do with these that they are not suitable or sufficient, especially the cattle-guards. We do not know of any authority whose judgment would be infallible as to what is suitable and sufficient, but we ask that another clause be added making the presence of uncontrolled animals anywhere on the right of way other than on a public crossing, prima facie proof that these fences and guards are not suitable and sufficient, unless the company can prove that these animals gained entrance by way of private gates or crossings carelessly left open by the owners or agents of the owners of the cattle or the property.

Subsection No. 1 of section No. 294, which prohibits cattle from running at large within one-half mile of a railway crossing on a public highway, has evidently been inserted in the Act to prevent accidents when such accidents are caused by animals being on the crossings. This would seem to be a wise provision and we would not object to it if it were not used by the railway companies to evade payment of just claims.

Taking this in connection with subsections 3, 4 and 5 of section 254, it might appear to a casual observer, or possibly to those who framed the law, that the burden of proof is placed upon the company and that the right to recover is preserved to the

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owner. This, however, is how it works. When the employees of the company whose duty it is to report to the company of stock injured, make their report they seem to almost invariably report that the stock had been running at large, without having made any investigation. At least we may infer that it is the case from the replies of the Claims Agents who, almost invariably, state that, according to information they have received, these animals were running at large and that in consequence of this the railway company interested is not liable; so that if the owner cannot positively prove that his animals got on the track out of his inclosed land through a defective fence, he has no chance whatever, though he may be morally certain that they did go through the fence. Unless he has a witness who saw them do so he can do nothing. This might not appear to be the meaning of the Act, but with the so-called information in the hands of the company, should it be reliable or unreliable, the company can take the advantage of it in establishing that the animals were running at large. Sheltering themselves behind this, the companies make no provision whatever by way of suitable and sufficient cattle-guards as thousands can testify.

No farmer would dare to set the law in motion against a powerful railway company, and as a result we have seen men who were almost ruined become almost desperate. We have seen quiet, inoffensive, industrious, law-abiding citizens transformed at least for the time being, into raging implacable foes of the government, smarting as they were under the sense of the injustice meted out to them.

When we have approached the higher authorities and asked that the law be amended or that at least an interpretation be given that would protect us we were repulsed by being told that we were suffering because of the consequences of our own acts. We have been told that the law as regards private crossings is just and reasonable, but we are not complaining of the law on private crossings, except subsections B and C of section 295, which takes away the owners right of action if any trespasser or outsider whatever has tampered with the fence. We do not want to hide ourselves behind the carelessness or negligence of any one but we want a law that will protect our property against needless destruction.

We would respectfully point out that the Act is:—

1. Defective in the respect that no full provision is made for the fencing of the right of way while the railway is under construction, thus throwing a man's farm open without any protection whatever.

2. Defective in no provision being made for compelling suitable fences and guards, the only competent test of such being their ability to keep animals off the track.

3. Defective in leaving it open for the railways to evade payment of just claims by bluffing or outlawing the claimant with a counter-claim that his animals were running at large.

4. Defective in barring the owner of right of action where any trespasser or person other than an officer or employee has taken down any part of the railway fence or wilfully opened any gate. This we claim is the right of the railway company to take care of and keep in order, no matter who injures it, especially as the Act elsewhere provides a penalty upon any one causing such injury.

5. Defective in not making the company liable for losses arising out of animals being injured, such as others in the herd being driven or scared away and lost; crops being destroyed by the animals being scared or forced in or loss of the use of work animals in consequence of the injury.

We would therefore respectfully submit that all railways be required to make a certified report each year of all animals killed or injured on its lines during the year with full description of the locality where the accident occurred together with the amount of claims paid. We have reason to believe that thousands of cases are never reported in such a way that the public can have knowledge of it.

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We would also ask that the railways be required to construct all necessary crossings and approaches thereto at the same time that the line is under construction so that residents in the vicinity or other travellers be not put to unnecessary inconvenience.

Above all we would ask that the power of the Railway Commission be extended or an independent court appointed, giving them more complete jurisdiction over stock-killing or fencing right-of-way, or any such cases as may arise between the railways and the people, with the right to try such cases and award judgment.

We would also suggest that the following amendments be made to the Railway Act during the present session of parliament:

(1) That section 254 be amended by incorporating therein the recommendation and orders of the Railway Commission as contained in Order No. 7473, dated May 4, 1909, and signed by Hon. J. P. Mabee, Chief Commissioner of the Board of Railway Commissioners, with the addition that the presence of uncontrolled animals on railway property be prima facie evidence that the fences or guards are not suitable and sufficient.

(2) That section 294 be amended by repealing section 8 of the Act 9-10 Edward VII, chapter 50, of the Act to amend the Railway Act, chapter 37 of the Revised Statutes, 1906, and substituting for sub-section 4 of said section 294 the following:—

‘4 When any horses, sheep, swine or other cattle get upon the property or lands of the company and by reason thereof damage is caused to or by such animal, the party suffering such damage shall, except in the cases otherwise provided for by the next following section, be entitled to recover the amount of such damage against the company, in any action in any court of competent jurisdiction; and, anything to the contrary in this section notwithstanding the fact that such animal was permitted to be at large contrary to the provisions of this section, or that such animal got at large through the negligence or any act or omission of the owner or agent, or of the custodian of such animal or his agent shall not deprive the owner of his right to recover: Provided, however, that nothing herein shall be taken or construed as relieving any person from the penalties imposed by section 407 of this Act.’

(3) That section 295 of the Railway Act, 1906, be amended as follows:—

(a) By inserting at the beginning of sub-section B the following words: ‘any person for whose use any farm crossing is furnished,’ placing such words before the first word of the sub-section—‘wilfully.’

(b) By amending sub-section C by adding thereto after the word ‘fence’ where it appears in the third line of said sub-section, the following words: ‘Provided, however that it shall be the duty of an officer or employee of the company to keep such fences in good and proper repair.’

The third question to which we would refer you is the excessive railway tolls, both passenger and freight, which are burdens keenly felt by farmers all over Canada. There are certain provisions of the Railway Act, however, which enable the companies to bring these burdens to bear on certain localities with more than doubly greater weight, and the provisions of which they take advantage to bring into action a vicious principle of discrimination are:—

The allowance of competitive rates and the consideration of which is termed density of traffic as a factor in framing their tariffs. We may well believe that railways will not choose to charge anything less than a profitable rate, even where competition exists, so that they should not be permitted to charge more in localities where competition does not exist, or putting it in another form; each company will endeavour to make the maximum amount of profit, and if they are permitted to cut rates because of competition they will be sure to find excuse to make it up where there is no competition.

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While it does not appear to us that there is anything in the Act which expressly permits the regulation of the tariffs in accordance with the density of traffic, yet we well know that it is done and that a sufficiently liberal interpretation of the Act is permitted to enable them to do this, so that presumably the Act forbids discrimination, yet under the Act discrimination is carried on. The Act forbids, and rightly so, 'any reduction or advance in any tolls, either directly or indirectly, in favour of or against any particular person or company.'

The same principle and restrictions should obtain when applied to localities. The Act gives the inference that the same principle should obtain as to localities under similar circumstances, and here the question arises what are similar circumstances. We reply that density of traffic and competition should never be taken to mean that circumstances are not similar.

The Act says 'that no toll shall be charged which unjustly discriminates between localities,' yet it permits discrimination in favour of localities where competition exists or where the traffic is dense, even although that density is caused very largely by trade going further on and is charged a higher proportionate rate before reaching its destination.

This is a condition of things which leaves the way open for many abuses to creep in, and we have good reason to know that many abuses have made their way in, the effects of which are severely felt. Although it is made illegal for railways to give concessions to particular persons or companies, yet this can be done by giving concessions to localities where these particular persons or companies have the chief interest in the business.

If it is wrong to allow persons to purchase cheap rates to the detriment of others, then it is wrong to allow places this privilege, yet it is openly done, and it has been openly argued by railway lawyers before the Commission that they were justified in giving discriminatory rates because of this.

Thus, on account of the people's interests not being sufficiently safeguarded by the Act in this respect, the evils of this system become intensified in localities where they are least able to bear it. It might appear that in newly settled sections of the country the railways should throw out inducements to encourage trade, but their policy seems to be the very reverse, for where no competition exists they charge to the limit, and often exceeding it they make trade prohibitive. This is especially true where they are required to carry trade in opposite directions to the localities they wish to favour, or to or from points they wish to discourage, or in any direction that tends to shorten their own haul and giving it to rival carrying companies, thus completely ignoring the rights of the people. They then advance the argument that circumstances are not similar and work that argument for all it is worth and more.

They sometimes make the claim that the cost of construction and operation is greater in these localities but will not give the public any information as to what that cost really is.

They sometimes claim to be at a disadvantage in working in these localities, but grants and concessions have been given them many times greater than their disadvantages. Many instances can be given where discrimination exists to the extent of over 100 per cent, and incredible as it may seem even to the extent of 800 per cent, thus prohibiting trade between neighbouring localities and retarding the development of the country.

We believe that the Railway Commission should be given more complete jurisdiction in this and in all matters of dispute between the railways and the people, and that at the same time the law should be more clearly defined, for their guidance in these matters. On account of the public character of the railways they should not be permitted to discriminate against any part of the public or against any locality. Every precaution should be taken to guard against this, for while the same men who

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are financially interested in the railways are financially interested in other lines of trade and commerce then the incentive to discriminate will remain.

A feeling of indignation has been growing for many years among the farmers and of late has been gaining much added strength, indignation because of the railways being permitted to practice what has been called 'watering their stock' and then raising their tariffs to a level that will give a profit on this fictitious capital.

The feeling is widespread that the time has come when this should cease.

We believe the time has come when a true physical valuation should be taken of all the different railways operating in Canada to be used as a basis of fixing the rates and that the information so obtained be placed in the hands of the public.

In summarizing this portion of the report we would therefore request:—

1. That the principle of fixing the tariffs in accordance with the competition of other roads or the density of traffic or volume of business handled be disallowed.

2. That a true physical valuation be taken of all railways operating in Canada, this valuation to be used as a basis of fixing the rates, and the information to be available to the public.

3. That the Board of Railway Commissioners be given complete jurisdiction in these matters as well as in all other matters of dispute between the railways and the people, and to enable them to do this that the law be more clearly defined.

CANADIAN COUNCIL OF AGRICULTURE.

D. W. McCUAIG, *President*.

E. C. DRURY, *Secretary*.

CO-OPERATIVE SOCIETIES.

Mr. McCUAIG.—I will now ask your attention to the subject of co-operative societies. Our resolution on the subject is as follows:—

Resolved, that in the opinion of this convention it is desirable that cheap and efficient machinery for the incorporation of co-operative societies should be provided by federal legislation during the present session of parliament.

CANADIAN COUNCIL OF AGRICULTURE,

D. W. McCUAIG, *President*.

E. C. DRURY, *Secretary*.

I will ask Mr. E. J. Fream, Secretary of the United Farmers of Alberta, and a member of the Canadian Council of Agriculture, to explain our position on this subject.

Mr. E. J. FREAM read the following paper:—

The Right Honourable Sir Wilfred Laurier, Prime Minister of Canada, the Members of the Government, and the Members of the House of Commons:

In a country so vast as Canada, matters which might be suggested as falling to the provinces in so far as legislation is concerned, must necessarily require attention from the Dominion government. At the present time the question is probably of moment to all Canadians and which can be included in this class, is that of co-operative legislation.

In a country of magnificent distances, it is inevitable that transportation charges add greatly to the cost of most of the articles in every day use among the settlers in the thinly settled portions of the country. There are other charges which can be added to the cost of these articles, and these include the present system of supply and distribution, which is not to the benefit of the producer or the consumer.

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These extra charges could, we believe, be largely eliminated by the introduction of an intelligent method of co-operation and we would therefore ask that you introduce as a government measure, an efficient Act providing for the incorporation of co-operative societies no matter whether it may be a large or a small one.

Other interests have been allowed to organize under a Dominion law, and while we do not ask for legislation which will permit a control or give any special privileges, still we believe that we should be allowed to organize and carry on business if we are desirous of doing so.

Efforts have been made towards organizing co-operative societies, but it is necessary that if the future efforts are to be crowned with success then this legislation must be enacted.

It might not be amiss for us to draw attention to the conditions which have prevailed in this country. In the days of the early development of the eastern provinces not only were the farming and labouring classes subject to the disadvantage and limitations found in a new country, but all other interests were also in a pioneer stage, and had to make their growth with the country. In the opening of the newer parts of the Dominion conditions are altogether different. Powerful corporations control every avenue of trade and commerce, and by combining prices they are able to take undue advantage of the helplessness of both the producer and consumer, who under present conditions are compelled to submit.

The co-operative movement is world-wide, and in some countries, notably Great Britain and Denmark, much has been done to bring the producer and consumer together. In fact in Denmark this has been carried to such an extent that the middlemen have been almost completely eliminated.

Last year two co-operative Bills were introduced into parliament by private members, and although they apparently found favour with the majority of the members, still for some reason which has not been satisfactorily explained these Bills did not become law.

We are given to understand that co-operative legislation will again be introduced during the present session by a private member, but, Sir, knowing the limitations of the present system of government and the fact that it is almost an impossibility to secure the passage of what might be called a public Bill when introduced by a private member, we would ask you to give this matter your serious consideration, and we request that your government will introduce and pass during the present session efficient legislation which will permit the organization of co-operative societies.

We do not think that this is an unreasonable request, as legislation of this kind does not call for the compulsory establishment of these societies, but as it will be permissive only then the residents of any district will be able to determine themselves whether they will be incorporated or not.

It may be said that it is possible to organize so-called small co-operative societies under provincial legislation governing joint-stock companies, but it is found in practice that to do this it is necessary to resort to several plans, and to engage legal help to prepare constitutions and general rules which will meet these cases.

Seeing that this proposed legislation will affect no interests, we are fully justified in asking for this legislation, and to bring to your attention the many demands received from all parts of the country.

In conclusion, we would draw your attention to the fact that there should be one uniform law regulating the operation of co-operative societies in the development of what is known as the co-operative movement in Canada, and that such legislation will be for the general benefit of Canada.

We desire to state that we endorse this co-operative movement, and wish to emphasize the fact that it will be of immense benefit to the whole of Canada.

Presented on behalf of the Canadian Council of Agriculture.

EDWARD J. FREAM.

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THE BANK ACT.

Mr. McCUAIG.—I have now to present, Sir Wilfrid Laurier, a resolution that has been passed on the subject of the Bank Act. I shall not call upon any speaker to support it, but will simply read it as the resolution passed by the convention held in this city yesterday. It is signed by the president and secretary, as the other resolutions are:

‘Whereas it is generally believed that the Bank Act forming as it does the charter of all Canadian banks for a ten year term, by its present phrasing prevents any amendment, involving curtailment of their powers enjoyed by virtue of the provisions of such charter:

‘Be it resolved, that this Ottawa Convention of delegates desire that the new Bank Act be so worded, as to permit the Act to be amended at any time and in any particular.’

CANADIAN COUNCIL OF AGRICULTURE.

D. W. McCUAIG, *President*.E. C. DRURY, *Secretary*.

THE CUSTOMS TARIFF.

Mr. McCUAIG.—We now come to the last request we have on our list, and I may say it is the most important of all the requests we have made of you to-day. It refers to the Customs tariff.

Proceeding, Mr. McCUAIG read the following memorial:—

The Right Honourable Sir Wilfrid Laurier, and the Members of the Cabinet:

GENTLEMEN,—This delegation, representative of the agricultural interests of Canada desire to approach you upon the question of the bearing of the Canadian customs tariff.

We come asking no favours at your hands. We bear with us no feeling of antipathy towards any other line of industrial life. We welcome within the limits of Canada's broad domain, every legitimate form of industrial enterprise, but, in view of the fact that the further progress and development of the agricultural industry is of such vital importance to the general welfare of the state, that all other Canadian industries are so dependent upon its success, that its constant condition forms the great barometer of trade, we consider its operations should no longer be hampered by tariff restrictions.

And in view of the favourable approaches already made through President Taft and the American Government looking towards more friendly trade relations between Canada and the United States this memorial takes form as follows:—

1. That that we strongly favour reciprocal free trade between Canada and the United States in all horticultural, agricultural and animal products, spraying materials, fertilizers, illuminating, fuel and lubricating oils, cement, fish and lumber.

2. Reciprocal free trade between the two countries in all agricultural implements, machinery, vehicles and parts of each of these; and, in the event of a favourable arrangement being reached, it be carried into effect through the independent action of the respective governments, rather than by the hard and fast requirements of a treaty.

3. We also favour the principle of the British preferential tariff, and urge an immediate lowering of the duties on all British goods, to one-half the rates charged under the general tariff schedule, whatever that may be; and that any trade advantages given the United States in reciprocal trade relations be extended to Great Britain.

4. For such further gradual reduction of the remaining preferential tariff as will ensure the establishment of complete free trade between Canada and the Motherland within ten years.

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5. That the farmers of this country are willing to face direct taxation in such form as may be advisable to make up the revenue required under new tariff conditions.

Believing that the greatest misfortune which can befall any country, is to have its people huddled together in great centres of population, and that the bearing of the present customs tariff has the tendency to encourage that condition, and realizing also, that in view of the constant movement of our people away from the farms, the greatest problem which presents itself to Canadian people to-day, is the problem of retaining our people on the soil, we come doubly assured of the justice of our petition.

Trusting this memorial may meet your favourable consideration, and that the substance of its prayer be granted with all reasonable despatch.

CANADIAN COUNCIL OF AGRICULTURE,

D. W. McCUAIG, *President.*

E. C. DRURY, *Secretary.*

In support of this most important subject that we have to place before you, I will call upon Mr. J. W. Scallion, of Virden, Man. Mr. Scallion is, and has been since its organization, Honorary President of the Manitoba Grain Growers' Association. He is also a member of the Canadian Council of Agriculture.

Mr. J. W. SCALLION read the following paper:—

To the Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, and Members of the Government and Members of the House of Commons:

This delegation, representing the agricultural interests of Canada and the great body of the common people, desire to congratulate you, Sir Wilfrid, on you attaining your sixty-ninth birthday, and trust that you will continue to receive expressions of kindness and good-will from all over the empire on the recurrence of many such occasions in the future.

We wish to thank you, Sir Wilfrid, for having afforded us this opportunity of presenting to you and your cabinet ministers and the members of parliament present at this meeting the farmers' views and desires with respect to our protective tariff and other questions of vital importance to the agricultural and general interests of this country.

Our protective tariff is felt to be a great burden upon the agricultural industry of Canada, and upon the great body of consumers of protected commodities. When the Tariff Commission held meetings of inquiry throughout the country, some five years ago, the farmers made their position on the tariff very clear; they wanted no protection for their own industry and strongly urged that the tariffs be reduced to a revenue basis. They hold that opinion to-day; more strongly, if possible, than they did then. They are willing to meet the requirements of a tax framed to cover the public expenditure of the Dominion, the proceeds of which, less cost of collection, will go wholly into the public treasury. But they strongly protest against the further continuance of a tariff which taxes them for the special benefit of private interests. They say that this is wrong in principle, unjust and oppressive in its operation, and nothing short of a system of legalized robbery. Prices for the produce of the farm are fixed in the markets of the world by supply and demand, and free competition, when these products are exported, and the export price fixes the price for home consumption, while the supplies for the farm are purchased in a restricted market where prices are fixed by combinations or manufacturers and other business interests operating under the shelter of our protective tariff. Such a fiscal system is manifestly unjust and should be abolished.

It is claimed by the advocates of protection that the system furnishes a home market at good prices for the produce of the farm and, therefore, is a compensation to farmers for having to pay higher for their supplies. But when it is considered

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that during the fiscal year ending 31st March last, markets had to be found in foreign countries for \$115,000,000 worth of the produce of our farms, including animals and their products, and that our exports of such products will largely increase as time goes on, for our great west is only beginning to show its capabilities for the production of hundreds of millions of bushels of grain and hundreds of thousands of live stock and other produce, and that the export price fixes the price for home consumption, the argument of a home market can only be regarded as a joke.

RECIPROCITY.

No trade arrangements which the Canadian government could enter into with any country would meet with greater favour or stronger support from the farmers of this country, than a wide measure of reciprocal trade with the United States. Such a trade arrangement, including manufactured articles and the natural products of both countries would give the producers a wider and more profitable market in which to sell a great deal of their produce and a cheaper market in which to buy a large quantity of their supplies. This statement can be verified by a comparison of prices in both countries, for years. The prices for grain, live stock and dairy produce under normal conditions, are much higher in the States than on this side of the line. The importance of an extension of our trade with the United States has been recognized time and again by our statesmen, who, on several occasions endeavoured to secure a wider measure of reciprocal trade with that country. Until quite recently the United States government was not favourable to the extension of freer trade relations with other countries. That policy did not apply to Canada particularly, as some of our opponents of reciprocity would have us believe, but was the policy of the United States towards all nations. A political party, pledged to a high tariff has held power in the United States almost continuously since the civil war, when the high tariff was adopted for the purpose of meeting that war debt and the powerful corporate and private interests which came into existence and developed under that tariff, and because of it, have continued to exercise such control over public men and legislation in that country as to be able to prevent any successful attempts to lower the tariff or enter into freer trade relations with other countries. But a change has taken place in public opinion in the United States. The President has asked our government to enter into negotiations for the purpose of bringing about freer trade relations between the two countries. This action of the President has been backed up by the people of the United States in the recent elections in that country. Negotiations between the two governments looking to the extension of trade between the two countries, have begun.

The delegation, representing the agricultural interests of Canada, strongly urges our government to meet the United States half way and secure as large a measure of reciprocal trade in manufactured articles and the natural products of both countries, as possible. Farmers are aware that a general lowering of our protective tariff and reciprocity with the United States will be strongly opposed by the united strength of the protected interests which have grown wealthy and powerful under our protective system. Already their special pleaders among the public press, and in public life, are pointing out the dangers to Canadian interests and to British connection, of a treaty of reciprocity with the United States. Our shipping interests will be ruined, our great transportation systems will be destroyed, the quality of our grain will be lowered, in fact general ruin will overtake us, all of which, of course is very alarming to those people, but which only exist and is conjured up in the imagination of the pleaders for special privilege. These pleaders have no warrant for such statements. This is clearly shown from the fact that our trade with the United States for the last fiscal year amounted to about \$350,000,000 nearly equal to our trade with all other countries combined. Is not that a valuable trade and of great mutual benefit to both countries? Are there any apparent dangers to the general interests of Canada from that trade?

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And if not, why should its extension be not regarded as a great benefit to both countries? We have made trade arrangements with France, with Germany, and other smaller countries, which is all very well as far as it goes. We have subsidized transportation companies to promote such trade. Then why should we not endeavour to enlarge our trade with the 90,000,000 of people right at our own door who afford us the greatest market of any country in the world—a market that will grow as the population of that country increases?

It is stated that in entering into reciprocal trade with the United States, vested rights must be protected, meaning, of course, the rights of our protected manufacturers, but when the policy of protection was adopted by the Canadian people, it was with the understanding that as soon as the protected industries had time to develop and become firmly established, protection would be withdrawn and the people relieved from further taxation for the benefit of private interests. We think that protection should have been removed years ago, and we think that now, in the framing of a fiscal system intended to do justice to every interest in the matter of taxation, that so called vested rights founded and developed upon a system of unfair and unjust legal exactions from the great body of the people, should be given no consideration whatever.

We are in favour of an increase to 50 per cent of the British preference on all imports from Britain and favour a further increase from time to time until the duty on British imports is entirely abolished.

We do not regard with favour the suggested appointment of a tariff commission. All that such a commission could find out with regard to the effects of the tariff upon the different industries and interests of the great body of the people is already well known. What is wanted is a general lowering of the tariff without any unnecessary delay.

I beg to submit this statement to the government, for its early and earnest consideration.

Mr. McCUAIG.—I will now call upon Mr. E. C. Drury, from western Ontario, Secretary of the Canadian Council of Agriculture.

Mr. E. C. DRURY read the following paper:—

The Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, the Members of the Government, and the Members of the House of Commons:

In presenting this memorial on the question of the tariff, a memorial prepared and unanimously endorsed by the largest and most representative congress of farmers ever held in the Dominion of Canada, representing every province, and nearly every phase of agriculture from the Atlantic to the Rocky mountains, I wish to assure you that we do not approach the question with any ill-feeling towards our manufacturers, nor with any undue regard to our own interests, but with the firm belief that the justice we demand is in the best interests, not only of Canadian agriculture, but of our young nation as a whole.

There can be no question that our greatest national asset, both material and social, is found in the farms of our country. Our agricultural resources are our greatest national gifts, an asset that with proper management under an intelligent and prosperous farm population will increase rather than decrease in value from year to year, forming a firm and enduring basis of national well-being. Our farm homes, with their great possibilities for good, physically, intellectually and morally, must always be a most important factor in our national life, while a sturdy, prosperous and contented farming class must always be our best safeguard against invasion from without or decay from within.

There can be no questioning the fact that agriculture is not prospering in Canada as it should at the present time. It is customary in certain quarters to refer to the lack of intelligence and enterprise among the farmers themselves as the cause of this condition. This, however, is not entirely in accord with the facts. No class in the

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country has shown itself more thrifty or industrious, more willing to take advantage of every opportunity to learn and apply improved methods, or more ready to adapt itself to changed conditions. The simple facts must be faced that, in spite of these things, agriculture has failed to hold its own. Agricultural population has steadily decreased for the last thirty years in every province east of Manitoba, while even in the western provinces, town population has increased at a faster rate than that of the farms. It is useless to point to the settling of the west as the cause of the eastern decrease. That has no doubt been contributory, but cannot account for the greater part of the decrease. It is equally useless to suggest the use of improved machinery as a possible cause. That largely explains rural depopulation under such conditions as prevail in England where agriculture was fully developed before the introduction of labour-saving machinery and where every piece of improved machinery displaced human labour on the farms. In Canada the case is entirely different. Simultaneously with the introduction of improved machinery has come the specialization of agriculture, calling for more men in the dairy, fruit and mixed farming even with improved machinery than were ever required under the old conditions of grain farming. We must attribute these movements of population, disastrous as they must prove to our national well-being, to the effect of a tariff which encourages city industries at the expense of agriculture.

The farmers of Canada do not ask for any tariff favours. We realize clearly that these can be of little value to us. Practical farmers, engaged in nearly all the varied lines of agriculture, and prominent in these lines, will follow me and give their testimony to the truth of this statement. We do, however, ask to be relieved of the burdens imposed upon us by a protective tariff which prevents foreign competition, and allows our manufacturers to raise their prices above those which would exist under free competition, that they do so raise them, in most cases to the full extent allowed by the tariff, is very plain. The artificial burden thus imposed on the farmer is very considerable, and is quite sufficient to account for the decrease in rural population.

Protection is no longer needed to encourage infant industries, and in many cases, the present actually works to discourage the expansion of manufacturing industries by encouraging the formation of combines whose interest it is to keep the market understocked, and which offer a far more terrible competition to a concern outside the combine, than it could possibly find under free trade conditions. Our anti-combine law is no remedy for this condition because of the difficulty, without incurring heavy expense, of gathering sufficient evidence to establish a *prima facie* case, even where we are sure a combine exists. Besides, there is little doubt that our manufacturing concerns, many of them very dropsical, are in many cases paying unduly large dividends. I am speaking of conditions on which the public can get but little light, but what little light has been shed on the question shows this statement to be true. In at least one case, a government blue-book is responsible for the statement that one large concern engaged in an industry which has been one of our most persistent beggars for tariff favours, was able to declare a dividend of fifty per cent on the cost of its common stock, in the same year that it issued a circular complaining of lack of prosperity due to insufficient tariff protection. We believe this is not an isolated case.

Under these circumstances, we appeal to you to right a condition which we believe to be not only unjust to our industry, but injurious to our national well-being. Our demands have received our fullest consideration, and we are prepared to urge them most strongly. We believe them reasonable and we hope for early action in the direction of granting our desires.

In asking that every means consistent with our national honour be taken to secure free trade with our southern neighbour in agricultural products and imple-

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ments, we believe we are not unjust to our manufacturers of implements. The greater competition in farm implements, and the wider markets in farm products, must prove of the greatest advantage to our farmers, both east and west.

In the increased British preference, with ultimate free trade with England, we look for relief from the general tariff burden. To this proposal we hope for little opposition from our manufacturers, since it gives them an opportunity to show, in a practical form, what their much vaunted loyalty to the empire amounts to.

In closing, I would wish to impress upon you the fact that there is no division of feeling between the farmers of the east and west on the tariff question. This delegation, and the convention preceding it, prove conclusively that the east and west are entirely one on this great question.

E. C. DRURY,

Secretary, National Council of Agriculture.

Mr. McCUAIG.—I will now call upon Mr. Thomas McMillan, of Western Ontario, member of the Executive Committee of the Dominion Grange, and member of the Canadian Council of Agriculture.

Mr. McMILLAN read the following paper:—

The Right Honourable Sir Wilfrid Laurier, the Members of the Government, and the Members of the House of Commons:

In offering a few remarks upon the bearing of the provisions of the present customs tariff and the amendments contained in the changes proposed in the prayer of our petition, I do so from the standpoint of the general Ontario farmer engaged in the live stock industry in connection with a system of mixed farm husbandry.

Although for years the Ontario farmer has borne the burden of the injurious effect of the Canadian Customs tariff yet the fact remains, that any enactment of a government which perpetuates an injustice upon the great body of the people, will move down. The people may rest under the injustice for a time, but even without further provocation, the dissatisfaction bursts forth again.

The annual effect of this present tariff has not only been to take a margin of millions out of the pockets of the great body of the people, and place those millions into the hands of a few, but it also acts as a serious handicap upon the operations of the agriculturist. As that petition truly sets forth, the farmer bears no feeling of antipathy towards any other line of industrial life. He welcomes within our border every legitimate form of industrial effort, but why should agriculture be called as it is under the tariff, to pay tribute to any other form of industry? The farmer is being told continually that he should not complain, that our manufacturers employ the workmen who furnish a great home market for his products, but the fact remains, that from the testimony of the manufacturers themselves, in several lines, it would pay the people of Canada well, to take the margin which this customs tariff causes them to pay, and with it pension the workmen in those lines to the full extent of the wages they receive, and they would still have money to the good.

We come before you asking no favours, but we claim that agriculture, should, under the tariff, be placed upon an equal footing with the other industrial enterprises of the land.

If this petition were to ask that the agricultural industry be allowed its supplies of raw material either free or at the lowest possible rates of duty, it would only be asking that agriculture be allowed to share one-half the privileges, which, for thirty years, has, under the provisions of the tariff, been enjoyed by many lines of manufacturing industry.

Why do I say so? Study the provisions of the tariff and on the one hand, we find that it gives the manufacturers a margin of all the way from 15 to 35 per cent

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on their goods as against foreign competition in the home market. As against that margin of profit we ask nothing. We are willing in the sale of our products to meet the open competition of the world.

Study the other side of the tariff and we find that at every convenient turn manufacturers are given their raw materials either free, or at the lowest possible rates of duty. That is right. We fully endorse the action of your government in this respect. But why should agriculture be debarred from sharing the same privileges, which, in this respect, our manufacturers enjoy? Surely it is not because in your estimation the agriculture of Canada is a secondary industry! Mark you, gentlemen, we do not for a moment insinuate that you would deliberately sit down and frame a tariff which would burden this all-important industry. We know something of this cause. We are proud of the good work which Mr. Fisher and the Department of Agriculture has done in bringing to such full perfection our transportation equipment, and we are only sorry that our hampered condition prevents our reaping its advantages to the fullest degree. The situation of the agriculturist of Canada is such, that on the one hand, we find our departments of Agriculture, both local and federal, insisting that we farm more intensively, underdrain our lands, till our soil better, keep more live stock and employ more labour; while on the other hand, we find upon the statute books of our country a statutory provision which has the effect of seriously reducing our margin of profit, taking our labour away from us, and piling our people together in great centres of population.

The farmer is willing to meet any legitimate competition in the labour markets of the country. He does not wish to underpay his workmen. His desire is to remunerate them well. But when he is compelled to face a statutory provision which takes from him a margin of millions, and those millions are employed in competing with him for his own farm labour, he cannot stand an unjust competition such as that. As the result of those conditions, farm labour has now become so very scarce, that the labour of the farm cannot be properly accomplished, the general farmer of to-day sees nothing ahead but continuous toil. His family becomes dissatisfied. The constant tendency is to leave the old homestead, and as a final result, in some of the fairest portions of Ontario, we find almost as much farm property for sale as at any previous period in our history.

When we are face to face with conditions such as those, when we see the sturdy yeomanry of Ontario gradually deserting the farm, when we know that the greatest misfortune which can befall any country is to have its people huddled together in great centres of population, and that the bearing of this present customs tariff has the tendency to encourage that condition, is it not the bounden duty of the government to endeavour to make all the conditions surrounding agriculture, as favourable as they possibly can.

In endorsing the prayer of that petition, we believe that if a favourable reciprocal trade arrangement can be obtained with the government of the United States, whereby animals and their products as well as all agricultural products would be allowed free access to those great consuming centres, it would certainly give a great impetus to the agricultural industry. The progressive farmer of to-day must be a manufacturer of high class products, such as highly finished live stock of all kinds, beef, bacon, mutton, poultry, eggs and cream, butter and cheese.

Study the American live stock markets and we find that the best beef animals as a general rule, sell from at least \$1 to \$1.50 per cwt. more than our prices in Toronto. None of that high class beef is shipped abroad. It is all consumed by the wealthier classes at home. Ontario farmers are able to compete with the world in the production of high-class beef, and if we could obtain access to that great market we would be able to enter the best market of the world, which lies right at our very door. We would not then be, as we are now, practically shut out of our markets for six months of the year, by the long overland railway journey, which precedes the ocean voyage to

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the British market. In short, it would do more for the beef cattle industry in Ontario than all the government enactments of a generation. In other products I have named, speaking generally (with the exception of live hogs which often rule about the same) prices are invariably higher than in our Canadian markets. Prominent men, in their ignorance of the real requirements of an advancing agriculture have described these articles, as but 'the minor products' of the farm, but, gentlemen, I want to impress upon you the fact that these productions constitute the very right arm of a permanently successful agriculture.

Turning to the increased preference which we desire to give to the goods of Great Britain, we do not carry our loyalty upon our lips but hasten, in a practical way, to show gratitude for the open door, the splendid treatment, which we have always received at the hands of the motherland. As farmers and workingmen ourselves, we would scorn to ask that any burden be placed upon our fellow workers of the British Isles, by even suggesting that the bread of her labouring men should be taxed for our benefit.

In conclusion, gentlemen, let me say we resent the insinuation that trading with our American cousins will render us less loyal citizens of Canada and the Empire. Any person who thinks that the loyalty of the Canadian people is nothing better than simply a commercial commodity, to be bartered away, very much underestimates the temper and spirit of true Canadianism. Let us trade where, and with whom-so-ever we may. There are no people on the face of this globe, to-day, who, if occasion demanded, would manifest a truer and nobler national spirit than the free people who find their homes on the face of Canadian soil.

Mr. McCUAIG.—Next, I am to call upon Col. Fraser, from Brant county, Ont.

Col. FRASER read the following paper:—

The Right Honourable Sir Wilfrid Laurier, the Members of the Government and the Members of the House of Commons:

I have the honour to reside in the western portion of Ontario that is noted for its varied production of agriculture, such as grain of all kinds, potatoes, turnips, horses, cattle, sheep and lambs, hogs, butter, cheese and eggs. And situated as we are, surrounded on three sides by United States territory, with its large cities directly on or near our borders with a large consuming population of the products I have named, the advantages of reciprocal trade relations with the United States are so apparent that it is almost needless on my part to make any statement to that effect.

The price of the articles I have named being, with few exceptions, at all times in excess of the prices prevailing on our side of the line.

Treating on the question of turnips, I have frequently seen paid in customs and freight dues nearly four dollars for every dollar paid the producer. This is only one of the many like instances I could enumerate. It is no wonder then that the farming interests in my district are depressed; that the bailiff's business is largely on the increase; that merchants are unable to collect their bills and that the general conditions of the farmer call loudly and piteously for a change. The conditions as outlined in the contemplated changes of the tariff, would, I believe, largely eliminate the existing conditions and place on a sound foundation our agricultural interests, on whose prosperity the condition of all classes so much depends.

Our large immigration which we are at present enjoying, with the enormous influx of capital which accompanies it, together with the vast expenditure of moneys on public works by Dominion, Provincial and Municipal, prevents for the time being these conditions being fully felt, but let a period of depression occur, which is not only possible but probable, and a condition of affairs will soon result which will be appalling.

We have nothing but the kindest of feelings for our manufacturers, but we fully realize that a policy that has robbed our province of 100,000 of its rural popula-

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tion in 25 years makes the situation so grave that relief must come and come speedily ere it is too late and we have forever destroyed a yeomanry, the finest that history, either ancient or modern, has ever known.

I will say no more, lengthy discussions will do no good; the facts are so apparent that a child of tender years understands the situation. How much more then must it appeal to you as intelligent men?

I therefore trust you will, if possible, avail yourselves of the opportunities afforded by the contemplated offer which is likely to be afforded you.

J. Z. FRASER.

Mr. McCUAIG.—The next gentleman I have to call upon is Mr. W. B. Fawcett, of New Brunswick.

Mr. W. B. FAWCETT read the following paper:—

The Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, the Members of the Government, and the Members of the House of Commons:

I only wish to add a word for New Brunswick and to say, if a treaty can be obtained that will give our natural products free access to the American markets it will immensely benefit our chief industry, agriculture, as well as several others, scarcely less important to our province.

Farm production with us in most lines has made serious losses for many years past, especially in live stock. The value of our improved farms has generally decreased. Even the best dyke lands in my own county are worth less than formerly. And our provincial government is expending considerable money in attempts to re-people our abandoned farms with British immigrants. But the abandonment of other farms goes on just the same.

The feeling is becoming very general that the protective tariff in force now, as well as in the past, is largely responsible for this retrogression.

Under such a tariff manufacturers are not only enabled to outbid farmers in the matter of hired labour, but to impose unreasonable prices on practically everything required to operate a farm.

Our soil and climate favour the extensive and profitable growing of fruit, and nearly every farm crop common to Canada. Even under the adverse conditions so long existing, we are producing a considerable surplus of potatoes, turnips, hay and dairy products, and our farmers would receive a direct and immediate benefit from reciprocity.

To illustrate briefly I may mention myself; and say, that free access to the American market with my own hay crop, would make me a net gain annually of \$360; and on my strawberry crop, \$200, counting only one-half the duty imposed by the United States tariff and I am only one of many.

Mr. McCUAIG.—I now call upon Mr. J. E. Johnston, of Ontario.

Mr. JOHNSTON read the following paper:—

Sir Wilfrid Laurier and Gentlemen.—In supporting the unanimous opinion of this delegation in favour of reciprocity with the United States in all agricultural produce, I may offer a few explanations as to how it would affect the interests of our Canadian fruit growers and particularly our growers of apples. The district I represent is yearly becoming more largely engaged in orcharding. In this, as in many other sections of Canada, the apple business is being rapidly improved by co-operation of the growers in the care of their orchards and the marketing of their fruit; the recognized superior quality of our fruit guarantees that with expert methods we can more than hold our own in open market. In the county of Norfolk we have a co-operative association engaged in the handling of apples. This association was organized five years ago and in 1910, even with the short crop, it sold nine times the quan-

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tity of fruit handled in the first year it was organized. The prospects for further development of the apple business in Ontario, under the co-operative system, are very bright indeed.

But while the business of apple-growing is profitable to-day its extension would be promoted by the opening of wider markets. The Republic to the south with a population of ninety millions or so and a rapidly growing demand for all kinds of food products would be an excellent additional market for our fruit. Even in the face of the duty prevailing, the shipments from our association this past year to the United States were 6,000 barrels, while 25,000 barrels went to the Northwest and 5,000 barrels to England and Scotland. Had there been free trade in apples we would have been able to sell our whole crop 50 cents a barrel better than we did. There are varieties of apples, such as Greenings, Belleflower and Talmon Sweets which are not wanted at all in the Northwest but are readily taken at a good price in the United States. Apart from this there are localities in Canada which could import American fruit to advantage, and many sections in the United States which could use our fruit to even greater advantage. In years of scarcity the Canadian West would like to draw upon the Pacific Coast fruit more largely than it does, while in seasons of heavy production we would be greatly benefited by an additional market. This illustrates the advantage of reciprocity.

At present the Canadian applegrower is discriminated against. The United States tariff on apples is 75 cents a barrel, while American apple growers shipping into Canada have to pay only 40 cents a barrel duty. This is unfair and I respectfully ask, on behalf of Canadian fruit growers, that you as representatives of the Canadian people will endeavour in any reciprocal trade negotiations to have the American fruit tariff lowered to at least the same figure as the Canadian tariff. Further than this, we would welcome and request a complete withdrawal of all duties on apples entering either country. Reciprocity in apples would benefit consumer and producer alike.

Mr. McCUAIG.—The next gentleman I have to call upon is Mr. S. C. Parker, of Nova Scotia.

Mr. S. C. PARKER read the following paper:—

The Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, the Members of the Government, and the Members of the House of Commons:

I have the honour to speak for the fruit-growing interests of Nova Scotia.

Our industry is rapidly growing, with increasing production we see the importance of as wide a distribution as possible. We are convinced that a fair measure of reciprocal trade with our neighbour at the south would be of immense advantage to all our horticultural interests. Of even more importance is our trade with Great Britain. That country is our best customer and any preference looking toward increase of trade with the mother country, will certainly improve our industrial condition.

Mr. McCUAIG.—There is another gentleman, Mr. Sellar, of Huntingdon, Que., whom we would like to call upon.

Mr. ROBERT SELLAR.—Sir Wilfrid Laurier and gentlemen: These farmers whom you see before you differ from every other industrial class. They work with the Almighty; what they produce is in partnership with him. And when they have grown their product, when they have raised, by infinite labour and patient skill, what they have to sell in order that they may live, is it just that a part of that produce be taken by any other class in the community? It is not a mere matter of favour that we come to ask of you to-day; it is a matter of justice. Are these men who fill these galleries forever to go on toiling and paying tribute to some favoured class or not? They have not come here in vain: these men have travelled over two thousand miles to lay their case before you, and I tell you that at their meeting

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yesterday they unfurled a banner which will not be furled again until they have obtained their ends. We were in this House last night, and heard a lovely young man pleading the cause of the big fellows who work for the government by day's work, that they should only work eight hours a day. Why, that young man might go and learn that this morning thousands of delicate women had left their beds before daylight to go to cold stables and milk the cows. I estimate that, at a low calculation, every farmer pays from \$100 to \$300 a year in protective duties. Do you mean to tell me that, if these farmers had this amount of from \$100 to \$300—it is not much, perhaps, in the eyes of manufacturers or monopolists, but a hundred dollars to a farmer is worth a thousand to any other class—would not these farmers and their families get more ease? Are there not thousands of women on the lonesome prairie who would make good use of that money and make life more agreeable for themselves? Well, sir, we say that these men are not going to submit any longer to pay tribute to any class. They say they are not going to be put off; that they come here for justice and justice they will have. And in saying this, these men are loyal. We do not ask for defence against our neighbours. We do not say that loyalty consists in hating our neighbours to the south of us. But we say that loyalty is in the bosoms of these people, and that for the Motherland they would die to a man before they would see her subjected to German power.

I am not going to trespass upon your time, I am pleading that these men may have justice; that they may go back to their families feeling that they have made themselves heard in this Dominion for once in their lives, and this cause is not going to rest now but will go on and go on until, as I have said, the banner they unfurled yesterday is planted on the ruins of protectionism.

Mr. McCUAIG.—I now, Sir Wilfrid, call on the last speaker to address you on this memorable occasion. I call upon Mr. R. McKenzie, secretary of the Manitoba Grain Growers' Association.

Mr. R. MCKENZIE read the following paper:—

To the Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada and the Members of the Government, and the Members of the House of Commons:

When the people of Canada adopted the principle of protection in their customs tariff of 1878, it was with the clear understanding that when the protected industries had had time to develop and get firmly established, the protection would be withdrawn and the people relieved of any further taxation for the benefit of industry. The election of 1896 was largely decided on this issue and the people returned to power a government committed to the elimination of the protective principle from the tariff and the placing of our customs duty on a purely revenue basis. Although the tariff schedule of 1897 afforded some relief, the farmers of Canada were disappointed in the measure of relief afforded by it. Under the impression that the expected reduction was not abandoned by the government, but only postponed, they deferred making any strong objection. The revision of 1907 largely disabused their minds in this respect, and, notwithstanding the strong representation made to the Tariff Commission which investigated the operation of the tariff previous to the revision of 1907, the schedule resulting, although providing for a small reduction in a few items, worked out, upon the whole, to afford more protection to the manufacturing industries.

The tariff schedule of 1907 contains 711 items, 221 of which are free. Of these free items, farmers get the benefit of free binder twine, cream separators, and corn for feeding purposes. Practically all the other free items are raw material used by manufacturers in their manufactures. In addition to that, since the revision of 1907, some twenty items have been placed on the free list, and the duty reduced on thirteen others, by order in council. Practically all these reductions have been on raw materials used by manufacturers. As farmers we do not object to the principle of permitting

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raw material used by manufacturers to be imported free of duty. We believe that it is sound and that the best interests of the community are served by permitting the manufacturer to get his raw material where he can get it cheapest, free from restrictions of any kind. But, we do object to a tariff which, while giving them this just privilege permits them to levy unjustly a heavy tribute off the people who use their goods, by the higher prices they are enabled to charge through the power given them by the custom tariff.

Advocates of protection base their contentions on the ground:—

1. That the levying of customs duties is the best method of collecting revenue to meet the requirements of government.

2. That it affords labour for wage earners, thus providing maintenance for centres of population in towns and cities.

The method which has hitherto been pursued in this country of collecting revenue through customs duties, by virtue of which one group of individuals is placed in a position where they can levy toll upon their neighbours, is inherently unsound. It is so, because it destroys the balance of equity in taxation. 'By virtue of what principle will you tax the farmer in order to give work to the working man: On what principle will you tax the working man in order to give better prices to the farmer.'

Sir Richard Cartwright, than whom there is no better authority in Canada on statistics and fiscal questions, is credited with making the statement, in 1893, that 'if you add together the sum that has been paid into the treasury and the largest sum that has been extracted from the pockets of the people for the benefit of a few private and favoured individuals, you will find that the total for the last fourteen years is hardly less than \$1,000,000,000.'

You, Sir, have also been credited with a statement made about the same time, that "for every dollar that goes into the Dominion Treasury, two or three dollars go into the pockets of the manufacturers,' and almost every farmer in Canada will agree with you in this statement, even if some of them differ with you upon other public questions.

According to the census of 1908, there were agricultural implements manufactured in Canada, in the year previous, to the value of \$12,835,745, of which \$2,342,826 worth were exported, leaving for home consumption, \$10,492,919. There were imported that year, \$1,593,914 worth of implements, on which the government collected a duty to the extent of 20 per cent, or \$318,782. It is now conceded that the manufacturer adds to the selling price of his commodity the total amount of the protection granted him by the customs duty. The farmers of Canada thus paid the government that year, \$318,782, and to the manufacturers of farming implements, \$2,098,383. Of leather we used of domestic manufacture, \$13,394,416 worth; we imported \$901,197 worth, on which we paid a duty to the government of \$157,709, and through enhanced prices paid the manufacturers \$2,344,022. Boots and shoes manufactured in Canada amounted to \$20,264,686. We imported \$1,178,749 worth, on which we paid the government a duty of \$353,600, and paid the manufacturers, \$6,079,405. Cement, an article that is now being used very extensively in Canada, practically every farmer who does any building making use of it to some extent, carries protection to the extent of 33½ per cent. In 1909 there was manufactured in Canada, \$5,266,008 worth of cement. We imported \$475,676 worth, on which the government collected a duty of \$159,077, and we paid to the Canadian merger that controls the manufacture of that article, \$1,755,336. The same thing applies to woollens, cottons, cutlery, but why go further? On these several items enumerated above, alone, the people pay a revenue to the government of \$989,168, and the very large sum of \$12,277,146 into the treasury of the manufacturers of these commodities. The taxes paid by the people on these commodities are approximately in the following proportion: For every \$100 farmers are taxed by reason of the customs duty on agricultural implements, the government gets \$14 and the manufacturer \$86. On cement the government gets \$8 and the manufacturer

gets \$92. On boots and shoes the government gets \$6 and the manufacturers \$94. On leather the government receives \$6 and the manufacturer \$94.

In the early days of the National Policy the taxes imposed by the customs duty were modified to some extent by competition between domestic manufacturers. Of recent years they have practically eliminated that competition by the formation of mergers. The different companies engaged in the same line of manufacture have been absorbed by the larger companies. Since January, 1909, twenty industrial amalgamations have been consummated in Canada, absorbing one hundred and thirty-five individual companies. While in each case the capitalization of the merged concern is very much larger than the total capital of the absorbed companies, it is rarely that any of this additional capital enters into the business of the new concern. The huge capitalization enables the organization concerned to conceal from the general public, in a measure, the large tribute they are enabled to impose on the consumers of their manufactured goods by reason of the customs duty.

The argument is frequently made that the government must maintain the present high customs duty in order to protect capital invested in manufacturing industries. In other words, capital invested in agriculture must, by statute, be compelled to pay tribute to capital invested in manufacturing industries. On what principle of justice can a government give a man who invests \$100,000 in any industry, the privilege of levying a tax on ten men who invest \$10,000 each in land, to develop the natural wealth of the country? It is often said by advocates of the protective system that we must maintain a customs duty in order to encourage capital to come to Canada. This policy maintained by our government since 1878 has had a most detrimental effect on the development of agriculture, and the investment of capital in the production of farm crops, and it is yearly becoming more apparent, due to the fact that money invested in industrial and other securities yields a greater revenue than that invested in the industry of agriculture, that many of our most progressive farmers are disposing of their farms to come and live in the towns and cities, investing the proceeds of the sale of their land in other securities, endeavouring to supplement this by entering into competition with wage earners in those centres of population.

According to the census of 1901 the total capital invested in the agricultural industry was \$1,787,102,630 not including working capital; that is, capital used. After deducting the charge of labour and rent, the surplus for the year's operations is placed at \$331,542,546, or 18.55 per cent of the capital invested, allowing nothing for the working capital, the farmer's own labour, or that of the members of his family, or his raw material. Had the wages of the farmer and the adult members of his family been reckoned at the usual wage of a day labourer, there would have been nothing left for interest on this very large capital. On the other hand, the industry of manufacturing invested, including the working capital, a total of \$446,916,487. After allowing for the cost of raw material, the rent of offices and work, the cost of wages, salary, power, heat, fuel, light, taxes, totalling \$392,475, the surplus netted 19.82 per cent of that capital. Speaking for the west, we have no hesitation in saying that this economic condition seriously affects progress in the development of farm lands in the older districts where land has made a rapid advance in price, farmers are disposing of their holdings and moving into the towns and investing the proceeds of their sale as indicated above. In the majority of cases, although there are exceptions, the purchasers of these farms have only a limited capital and frequently the largest proportion of the purchase money is carried on a mortgage. The increased cost of living and of conducting his operations, due to the exactions of a protective tariff, so disables him that there are often seasons when he can pay no more than his interest on this principal, which condition denies him the opportunity of material comfort, culture and education that by right belongs to him as much as to any one else, besides preventing him from improving his holdings.

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The census of 1906 shows that in 1905 there were 122,398 farms in the provinces of Manitoba, Saskatchewan and Alberta. The reports of the Department of the Interior indicate that up to the 30th June, 1905, 199,978 homestead entries were made, and that year 112,779 patents were issued. In addition to this, for the three years previous to 1905, 72,129 entries were made for homesteads, indicating that of the homestead entries and patents issued up until 1905, 62,000 have either disposed of their patents or did not take possession of their homesteads. Previous to that date, there were disposed of, by railway companies and others who had received subsidies of land from the government of Canada, upwards of 11,500,000 acres of land, a percentage of the purchasers of which would be securing the land for the purpose of making a home. So that the number above indicated as abandoning or selling their holding would be very largely increased. During that period, which was one of the most successful periods that the West has ever experienced, the urban population of those three provinces increased in a much larger ratio than the rural population. In 1901 the ratio of urban to the total population was 24.72 per cent, and in 1906 it increased to 30.25 per cent. The ratio of urban to the total population increased more in Manitoba than in the other two provinces although there was a marked increase in all three. The statement made that the increase in the urban and the decrease in the farm population in Ontario, is largely due to the attractiveness of the fertile soil of the prairie farms, yet, notwithstanding the many and great advantages that the prairie farm has over the farms of the older provinces and notwithstanding the fact that practically the only resources of these western provinces are the products of the soil, in the face of all this, the urban population is growing more rapidly than the rural. The only logical reason that can be advanced for such an undesirable situation is, that owing to the high cost of living, and the high cost of the necessary equipment, due very largely to the unjust tariff, the farmer finds it difficult to make ends meet, and seeks to change his calling in the hope of doing better.

The other argument that the growth of towns and cities is dependent on manufactures being established in these centres of population, is also discredited by the experience of the western provinces. Practically the only manufactories in those provinces are establishments for the manufacture of food products, slaughter houses and meat packing houses, mills for the manufacture of lumber, and timber products, printing and publishing houses, none of which are dependent for their existence on the maintenance of the protective system.

The doctrine that manufacturing establishments cannot exist and that cities and towns cannot prosper without protection is untenable. That the fathering care of the National Policy has brought into existence manufactories in Canada, may be admitted, but it is also true that industries of that character which have to be bolstered up at the expense of the people, while it may add to the wealth of the individual adds nothing to the wealth of the nation. The census of 1906 gives the total of the products manufactured in Canada in 1905 in establishments employing five hands and over as \$706,446,578. The average duty on dutiable imports for 1905 was 27.692 per cent. If we assume that the manufacturers added this to the selling price of their products, amounting to upwards of \$706,000,000, the tribute they collected from the consumers of manufactured goods in Canada was that year upwards of \$190,000,000. The total salary paid by manufacturers in all Canada in 1905 was \$162,155,578, or upwards of \$28,000,000 less than the extra profits they made due to custom duties off the Canadian people on their manufactured product. In other words, if the people of Canada had paid all the salary of the employees of manufactories for that year, they would still have had \$28,000,000 left to contribute to the revenue of the country from the excess prices they had paid due to the tariff. But further, the urban population in Canada in 1901 was 2,021,799. Of those there were employed in manufacturing establishments 226,663 men over sixteen years of age; 61,220

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women, sixteen years and over, and 12,143 children under sixteen years, or a total of 300,026 employees. The rest of the urban population who were engaged in the business of distributing, transporting, financial and other interests were in no way benefited by protection in customs duties.

It is a foolish fallacy that our manufacturers in Canada depend for their existence on the continuance of the protective tariff. Our largest and most important industries that are classified as manufactories, such as establishments engaged in the production of food products, such as bakeries, butter and cheese factories, flour and grist mills, slaughtering and meat packing establishments, fruit and vegetable canning, and various others which may be regarded as indigenous to Canada, may safely be depended upon as being quite capable of meeting any competition from outside sources if our markets were thrown open.

As already stated, the tariff of 1897 afforded some relief, although the supporters of a lower tariff were disappointed that the reduction had not gone a good deal further. However, they rested on the assurance that a beginning was made and that a decrease in the taxation of customs duties would continue at intervals and that the expected revenue tariff was not to be abandoned by the government, but only postponed. After fourteen years of waiting a careful study of the tariff schedule indicates that due to a constant rise in value that began in 1896, on all classes of dutiable goods, the people are now actually paying more duty on the commodities they purchase than in 1896. In the interval farmers and general consumers have been organizing and getting familiar with the extent of the taxation imposed upon them by the tariff. They have observed that since the revision of 1907, the privileges granted to manufacturers under the custom duty is being extended without any compensating relief to consumers. Many people are leaving the older districts in the other provinces, some getting tired of urban life, and many also from older countries are endeavouring to establish themselves on the western prairies, the larger proportion of them having very little capital excepting their physical strength and relying upon the products of their labour to build up for themselves homes on land so generously provided them by the Canadian government, find that, through the exactions of transportation and the oppressive customs tariff, the cost of living and maintaining a home is advanced from 25 to 30 per cent. That is to say, that for every dollar's worth of goods the farmer on his homestead has to buy, the customs duty adds from 25 to 30 cents. The staple product of western farms is wheat and the purchasing power of a bushel of wheat is reduced 25 per cent by our fiscal system. The average price of wheat to the western farmer this year will be approximately 75 cents per bushel. Seventy-five per cent of the proceeds of the sale of wheat goes towards the purchase of home comforts and to farm improvements, every dollar of which is reduced in value 25 per cent. That is to say, that every bushel of wheat we raise is reduced in its purchasing power by fifteen cents on account of the operation of the customs duty.

An argument that is commonly used is that a customs duty must be maintained in order to provide a revenue for furnishing transportation facilities for the distribution of farm crops, and that it is necessary in order that the government should continue to improve transportation facilities for the handling of the products of the western prairies, to continue the present customs duty; and that farmers in resisting the imposition of these duties are ungrateful on the ground that all the people of Canada are subject to these customs duties for the special benefit of the farming community in this respect. That the government of Canada has, in the past, expended large sums of money in providing transportation facilities, all readily agree. But it must also be conceded by those who hold the views above stated, that the general business of Canada receives just as much benefit from the development incident to providing proper transportation facilities for the newer districts, as the farmers. And who derives more benefit from these improved transportation facilities than our manufacturers? Yet, we find that they strenuously oppose contributing anything to

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the revenue from customs duties on the material they import. It is also put forth for an argument that the government must continue the customs duty to provide revenue to still further improve the means of transportation from the western prairies to the seaboard, by developing of canals, &c., and the argument is made that by so doing the price of western grain will be enhanced from $1\frac{1}{2}$ to 2 cents per bushel, all of which will go to the benefit of the farmers. To us it seems folly to continue a system which, as shown above, reduces the purchasing power of a bushel of wheat 15 cents in order that the government may create conditions which will increase the price of a bushel of wheat from $1\frac{1}{2}$ to 2 cents.

The declared policy of the government is to impose duty for revenue purposes, and that protection is only incidental. The logical inference would be, therefore, that when, through the operation of the customs duty, an article ceased to produce revenue to any extent by reason of the domestic manufacturers getting complete control of the output, the government should remove the protection. And further, since the government imposes customs duties only for the purpose of producing revenue to meet the cost of government, just as soon as there is a material and continued surplus from year to year, the government, if they would follow their declared policy, will reduce the customs duties. Canada has reached that stage now. We have had for several years a very good surplus which this year has been stated by the press to approximate \$30,000,000. Why, inasmuch as the necessities of the revenue do not require the imposition of so much taxation, does the government not carry out this declared policy of reducing the customs duty to the requirements of the revenue.

We attach hereto, a list showing the revenue produced for the year ending March 31, 1910, on articles which the farmers request to be placed on the free list. You will notice that the total revenue produced by the duty on agricultural implements as classified in the Trade and Navigation returns as 'Agricultural Implements, n.o.p.' amounts to only \$529,299.48. This amount is quite insignificant when compared with the amount which the tariff schedule enables the implement manufacturer to impose on the farmer. The same applies to buggies and carriages. On cutters the revenue produced last year was \$328.65. There are very large numbers of cutters used in Canada and all of them are increased in value by 35 per cent on account of this custom duty. On sleighs the duty collected by the government was \$4,539.39. These are articles which every farmer in Canada uses and on which he must pay to the manufacturer an addition in price of 35 per cent.

The same applies to portable engines, threshing machines and wagons. On all farm implements, including buggies, carriages and sleighs, threshing machines, &c., the government collected duty to the amount of \$1,218,983.38.

Were all these items enumerated in our resolution placed on the free list, the government would lose, based on the revenue for the year ending March 31, 1910, \$2,500,000, and should the British preference be increased to 50 per cent, the loss to the revenue based on the importations of the fiscal year ending March 31, 1910, would be approximately \$4,500,000, so that the total amount of revenue lost to the government due to the reduction demanded by the farmers' resolution as set forth above would amount to approximately \$7,500,000. If, as is stated, the surplus this year will amount to \$30,000,000, it would leave a surplus of \$22,000,000, a very respectable amount. So that the proposed reduction would in no way embarrass the government in the conduct of the business of the country.

Believing as we do, that the provision for revenue by customs duty is economically and morally wrong, we desire that free trade be established between Britain and Canada in as short a time as possible, without unduly disarranging existing business conditions. We therefore ask that the British preference be increased all round at the present session to 50 per cent, and that an additional increase of 5 per cent each year be given until we have free trade between Britain and Canada. We do not ask for any preference in the British market for our products in return, since we regard free

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trade between Canada and Great Britain as being in the best interest of the development of Canada; nor do we suggest or desire that Britain should tax foreign foodstuffs for our benefit. A certain section of the Canadian people loudly proclaim their loyalty and attachment to the British empire. Apparently their loyalty consists in raising a tariff wall against British manufacturers that will enable the Canadian manufacturers to impose a tribute on the rest of the Canadian people, and as an offset to the producers of foodstuffs in Canada, that a tax should be placed by the British people on their foodstuffs from foreign lands. In other words, their loyalty consists in having the British manufacturer taxed in the interest of the Canadian manufacturer, and the foodstuffs of the British artisan taxed for the benefit of the Canadian farmer. Canadian farmers recognize the protection afforded our country by the motherland, and they are willing to do their part in the maintenance of the British empire by supplying the British people with the food products they require in open competition with any other country in the world. If our own government will relieve the unjust tax imposed upon Canadian farmers by the customs duty, they would be quite able to compete in the British market with any other country in the world in the supply of cereals and farm products.

The adoption of free trade between Canada and Great Britain would necessarily cause a loss to the revenue of a considerable amount and our resolution suggests that the necessary revenue should be made up by some system of direct taxation.

In asking for these changes in our customs tariff we believe that we have asked for nothing but what is just and what is in the interest of the best development of our country. Our farmers have been the pioneers in the development of the land. They have gone to the frontiers of civilization when the road was dark and discouragements were great. They have struggled against monopoly in many of its phases. They have found it necessary to organize, and have their organization as perfect as possible. The farmers present here to-day have come at great expense. They have done so because they desire their wishes to be made known at the fountain head where our laws are made. They represent 50,000 of the best farmers of the Dominion and can justly claim to represent the farming industry of this country. We make our requests as reasonable men. Whether they are granted by this parliament or not, the educational work will still go on and the principles we have outlined here must ultimately triumph. Our country is in the infancy of its development. It is our duty and the duty of the representatives who sit within these halls, to see that special privilege is afforded to none and that our laws are based alone on justice to all. The farmers of Canada desire that the principle underlying our laws should be that contained in the words of one of the greatest Americans of the last century—‘That we should do unto others as we would have them do unto us; that we should respect their rights as scrupulously as we would have our rights respected, is not a mere counsel of perfection to individuals, but it is the law to which we must conform social institutions and national policy if we would secure the blessings of abundance and peace.’

SIR WILFRID LAURIER (Prime Minister).—Mr. McCuaig and gentlemen of the delegation: permit me, at the very outset, on behalf of the government and on behalf of parliament on both sides of the House, for which, I think, on this occasion and for this purpose I can speak——

Mr. R. L. BORDEN, leader of the opposition, hear, hear.

SIR WILFRID LAURIER—to express to you the gratification it affords us to see before us such a representative delegation as we have here, and to acknowledge also the profit with which we have listened to the expression of your views, even if we do not share those views in their entirety. When I came here this morning, I thought we were coming to receive a delegation from the west. But I understand from your remarks that the delegation we have before us represents all the agricultural interests of Canada, of the east as well as of the west. But you will perhaps permit me to observe

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that it seems to me that, though the delegation represents the agricultural interests of the whole of Canada, it is the western spirit which pervades it. I am not surprised at that, nor do I complain of it, because we in the east are prepared for the domination of the west at a very early day. Also, we have always understood that in the west ideas are far more radical than they are in the east. At least, I have believed so, judging, as I have judged of late and for some time past, by the expressions of opinion which have come to me from all parts of Canada. I think that in this I speak correctly, and that you will not deny the impeachment, if such it be, that, in the west, your ideas are far more advanced than are those of the east. As I say, I do not complain of this, but simply place it as a basis of fact. The resolutions you have put before us are certainly impregnated with the western spirit. Nor do I believe the farmers of the east are prepared to go quite so far as you gentlemen of the west. You are in favour, as I understood, of the government ownership and operation of all public utilities,—of railways, abattoirs and of elevators. As to this, I have nothing to say at present. The idea, may, perhaps, be a good one. I understand that you have started a campaign of education, and, perhaps, I may be the first to be educated in that respect, because, up to this time, I have not been an absolutely ardent supporter of government ownership and operation of all public utilities. To government ownership I may be persuaded; to government operation I may be persuaded also, but with greater difficulty. In this, I am a man of the east.

If I am to judge of the importance which you attach to the different resolutions you have placed before us by the number of speakers who have addressed themselves to each, I conclude that it is to the terminal elevators and the tariff that you attach the greatest importance. It is these ideas which have received the greatest support of this delegation. I have listened with care to the statements which have been made by the farmers here represented, and the grievances which they have to present; and I am proud to believe that, after all, even though in Canada at present things are not as perfect as they ought to be, still, after all, they are not too bad. I listened with great interest—as everybody did, I am sure—to the very admirable paper presented by Mr. Green. If I understood him aright, he stated that the delegation here present represented agricultural wealth in the western provinces to the amount of at least \$300,000,000. Well, if we reflect that the farmers who are here from the western prairies and those whom they represent have been in the west, in their present homes, not more, on the average, than twenty years, we cannot but think that, to have accumulated wealth to the amount of \$300,000,000, does not argue a very bad condition of things after all. And if we reflect that Mr. Green also stated that the actual accumulated wealth of all the farmers of the western prairies is \$1,500,000,000, I still repeat that, though things are not so good as they might be, they are not so very bad. And where shall we find things as well as they ought to be? That cannot be found on this planet. And even in Canada, which is, in my opinion, a well governed country, there is room for improvement, I admit.

Now, what is to be the nature of the improvement? With regard to the tariff, you have suggested to us that the first thing we should try to get is a treaty of reciprocity with our neighbours.

Mr. DRURY.—I think you are misinformed, Sir Wilfrid, as to the contents of our recommendation. I expressly stated—

Sir WILFRID LAURIER.—I understand that what is proposed is closer commercial relations with our neighbours—whether by treaty or concurrent legislation is another matter; I suppose you would rather have it in the form of a treaty than not to have it at all. If what you have in view is better commercial relations with the United States, we are at one with you. I am happy to say that at this moment we are negotiating with the American authorities to do this very thing which you ask for—to improve our commercial relations with our neighbours. But I must say to you that this is not so easy as you may suppose. We are speaking frankly here, and it is

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not so easy as one of the speakers stated. There is in this country, in some sections of the community, a very strong opposition to any change in our present commercial relations with our neighbours. For my part, I do not share this view; my colleagues do not share this view. I think that if we can improve the relation in the direction of having more markets for natural products and farm products, the country will be immensely benefited. Let us speak with perfect frankness here—and I would not speak otherwise—any change in our trade relations with regard to manufactured products is a more difficult matter. There are difficulties in this which no government can ignore; and we are not ignoring them. But, at all events, we see our goal, and in this our goal is very much in your own direction. But you go further and say that in this particular session we should commence to amend the tariff also. I suggest to you that, as practical legislators, it would be hardly advisable for the parliament of Canada to undertake this session to revise the tariff while our negotiations are pending with our neighbours. Upon this, I will say no more. But there is one view which you have expressed which it is the object of the government to carry out and on which the government will respond to your views in full as you have expressed them. That is, whatever we do with our neighbours, whatever we may be able to accomplish with them, nothing that we do shall in any way impair or affect the British preference. That remains a cardinal feature of our policy.

The hour is advanced, and I cannot give more detailed information upon this point at this moment.

I come now to the resolution to which, as I said a moment ago, you seemed to attach as great importance as to the tariff resolution—I mean the resolution with regard to the terminal elevators. Here, also, I am glad to say, in principle, I agree with you. It has been recognized that the farmers of the west have a grievance in the condition of things prevailing at this moment. Where shall we seek a remedy? Well, my colleague and friend, the Minister of Trade and Commerce, Sir Richard Cartwright, has been giving his attention to this matter, and has a Bill on the subject already prepared. When I was in the West last summer, I stated to the different delegations of the Grain Growers' Association, who did me the honour to interview me and my colleagues, that we would not submit any legislation to parliament relating to this matter until we had an opportunity of discussing it with the Grain Growers' Association. Accordingly, some time ago I invited the Grain Growers' Associations of Manitoba, Saskatchewan and Alberta, to send delegates to Ottawa to confer with us, so that we might prepare that Bill. I am happy to say that they are here to-day to assist us in the preparation of that legislation. Now, you say, the only remedy available is the government ownership of the terminal elevators at Port Arthur and Fort William. That may be the case; I have no final opinion to express at the present time. But I would go further and ask you if the root of the problem does not go even deeper than you have suggested. I agree altogether with the remarks of Capt. Richardson when he said that what we want is to keep up the character of our grain in Europe. That is the object we have in view. Will this object be attained by merely looking after the elevators at Port Arthur and Fort William? If the ship loaded at Port Arthur or Fort William could deliver its cargo at Liverpool, the problem would be solved—you would preserve the character of your grain until it reached the ultimate market. But, of course, when a ship leaves Port Arthur or Fort William, it does not deliver its cargo at Liverpool. It may deliver it at Buffalo; it may deliver it at Port Colborne. There it has to be unloaded. If it is to go to Montreal, it has to be again unloaded and reloaded. The grain may leave perfectly pure from Port Arthur or Fort William, but when it goes into the elevator at Buffalo it may be degraded and reach Europe in a considerably changed condition. The problem, therefore, is to look after the character of the grain, not only at Port Arthur and Fort William, but down to the very point where the ship is loaded to clear for Liverpool. When the grain is delivered at Buffalo, we have no control over it. We

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hand it over to the control of our American friends. It was stated by Capt. Richardson that the Minnesota operator has transferred his usefulness—or want of usefulness—to Port Arthur. He could as easily transfer it to Buffalo and do there what he is doing at Port Arthur. But when we can carry our grain in Canada to Montreal, and load it on the ship at Montreal, and see that it leaves that port as it left Winnipeg, we shall have solved the problem. So it comes to this: It will not be sufficient, in my humble judgment, to look after the elevators at Port Arthur and Fort William, but you must look after the elevators at Port Colborne and Montreal where the same operation that is complained of can take place. That is the problem we have before us. That problem will be solved, if we can so improve the carriage of grain on the St. Lawrence route that it will not be possible to divert it to American channels. This can be done only in two ways. We can improve the St. Lawrence, and we can provide also a route through the Ottawa, which is the shortest of all the routes between east and west. When we are able to accomplish this, I think we shall have solved the problem in a better way than that suggested here. At all events, I offer you this suggestion to-day.

I am glad we have here the representatives of the Grain Growers' Association who are helping us to frame legislation. That legislation was mentioned in the Speech from the Throne, and it is to be brought before parliament.

As the hour is late, I hope you will excuse me if I do not deal with the other problems you have mentioned. Let me say one word only with regard to the Hudson Bay railway. We are prepared to go on with the Hudson Bay railway at this moment. We will give due consideration to your representations. Government ownership, as I said a moment ago, is not altogether in my line. But I think I can go that far. Government operation is a matter as to which we shall give all due weight to your representations.

